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NEWS SUMMARY

GENERAL

Appeal to back Olympic boycott

The U.S. Government has called on the athletes of friendly nations to join the boycott of the summer Olympic Games in Moscow.

The appeal came after the U.S. Olympic Committee, meeting at Colorado Springs, voted by two to one to accept President Carter's demand for a boycott to protest against the Soviet invasion of Afghanistan.

The vote was denounced by the Soviet news agency, Tass, as a surrender to unprecedented pressure and blackmail by the White House. Western diplomats believe the future of the Games now depends on whether West Germany joins the boycott. Back Page

Air crash kills 54

Fifty-four people were feared dead after a Brazilian Boeing 727 airliner crashed in a storm at Floriapolis in southern Brazil. Four passengers survived.

Liberian trials

Liberia's new ruler, Sergeant Samuel Doe, naming his Cabinet, said officials of the former Government, ousted in last week's coup, would be tried today for treason and corruption. Page 2

Tripoli talks

The heads of state of Libya, Syria, Algeria and South Yemen, and the Palestine Liberation Organisation chairman, met in Tripoli to plan their next move against Egypt-Israel peace plans.

Basque killing

Basque separatist guerrillas shot dead the police chief of the provincial capital of Vitoria as he left church after Mass.

Gibraltar plea

Lord Carrington, Foreign Secretary, has been urged by Gibraltar's Socialist Labour party to exclude decolonisation of the Rock from any Anglo-Spanish talks. Page 2

Soldier charged

A soldier has been charged with the unlawful killing of Mrs. Mary Doherty, 53, who was shot dead at an Army checkpoint in Strabane, on the Ulster border, yesterday.

'No' to advertising

The Royal Institute of British Architects decided last week against permitting members to advertise in the Press or sit on the boards of construction companies. Men and Matters, Page 16

Belvoir inquiry

The inquiry into National Coal Board plans to sink three mines in the Vale of Belvoir enters its final stage this week. Page 3

Lecturer expelled

Dr. Anthony Kenny, Master of Balliol College, Oxford, was expelled from Czechoslovakia after lecturing at a seminar organised by the banned philosopher, Dr. Julius Tomin.

Briefly . . .

William Whitelaw, Home Secretary, arrived in Auckland for a four-day visit to New Zealand.

The condition of Yugoslavia's President Tito remained grave.

Dame Joan Sutherland was presented with a long-service medal by the Royal Opera House.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to unofficial action by proof-readers who are members of the National Graphical Association.

BUSINESS

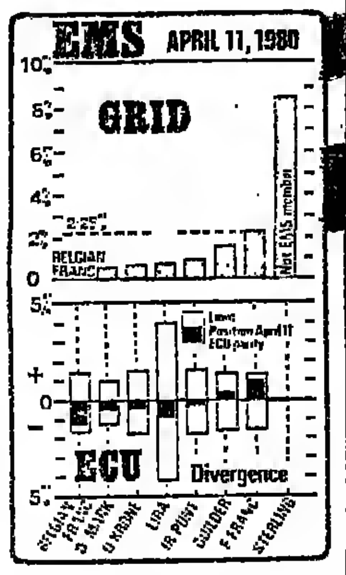
MPs to challenge Howe's strategy

● **CHANCELLOR** Sir Geoffrey Howe faces tough questioning from an all-party committee of MPs about the Government's new medium-term financial strategy and its public spending plans. Back Page; Feature, Page 16

● **GERMANY'S** D-mark improved against its partners in the European Monetary System last week, helped by the sudden reversal in the dollar.

On Tuesday, the D-mark was joint bottom of the EMS with the Belgian franc, and was close to a two-year low against the dollar. The decline in U.S. interest rates and fears of further unrest in the Middle East led to a weakening of the dollar by Tuesday's close, and on Wednesday, the D-mark had recovered to about the middle of the EMS.

News of the resignation of the Belgian Government had little immediate impact on the Belgian franc, which remained the weakest EMS currency, but well within its "alarm bell" limit. The French franc was again the strongest member of the EMS, while the Italian lira moved erratically in the lower to middle regions of the system. Page 30



The chart shows the two constraints on the European Monetary System exchange rates. The upper grid, based on the weakest currency in the system defines the cross-rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU) itself a basket of European currencies.

● **COMPENSATION** in the region of £50,000 has been accepted by Richard Morris, former deputy director of the NEB, who resigned in protest at Government policy. Former NEB chairman Sir Leslie Murphy is still seeking compensation. Back Page

● **MERGERS**, plant closures and a decline in employment can be expected this year in the mechanical engineering industry, stockbrokers Savory Milln forecast. Back Page

● **INTERNATIONAL PAINT**, the paint supplier, is to invest £16m in producing more paint for the motor industry and in expanding its export markets. Page 4

● **SUBARU UK**, the Japanese car importer, is expected to announce soon that it is to take over importing and retailing of Maserati and de Tomaso cars in the UK. Page 4

● **CIVIL SERVICE'S** second biggest union will next month seek members' backing for resistance to the introduction of computers to replace manpower. Page 5

● **SEAGRAM** of Canada, the world's biggest distiller, accepted a \$2.3bn (£1.05bn) offer for its U.S. oil and gas interests from the Sun Company of Pennsylvania. Page 30

● **AIR EUROPE**, the UK holiday airline formed in 1978, made a pre-tax profit of just over £1m for the 16 months from July 1978 to October 28 last year. Page 3

CONTENTS

U.S. threatens military sanctions to secure release of hostages

PRESIDENT CARTER'S plea for concerted international action to secure the release of the U.S. hostages in Tehran has met a mixed response. Mr. Carter has urged America's allies to impose diplomatic and commercial sanctions against Iran—and he has hinted that the U.S. might be prepared to take military action.

Britain does not intend to produce any trade sanctions against Iran at present. Like many other West European countries, it questions the likely effectiveness of such action.

However, West Germany, Iran's main European trading partner, has said it is prepared to impose sanctions as part of a co-ordinated EEC response to the U.S. appeals for solidarity. (Page 2)

The U.S. Olympic Committee's appeal yesterday for international support for its decision to boycott the Moscow Olympics was received coolly. Sir Denis Fellows, chairman of the British Olympic Association, said he believed USOC had been "pressurised" into opting out, while the Soviet news agency TASS said the decision represented blackmail by the White House. (Back Page)

Carter imposes deadline for allied action against Iran

BY JUREK MARTIN IN WASHINGTON

PRESIDENT CARTER has set U.S. allies a deadline, probably in the first half of next month, by which he expects them to match American diplomatic and commercial sanctions in Iran to help secure release of the hostages in Tehran.

If they do not comply, he said in a television interview for European networks, the U.S. might take tougher unilateral steps, including military action.

Mr. Carter did not give any precise date. "It is not a matter of weeks, or certainly not a matter of months. But we have sent to the heads of nations, all of those represented by you, a specific date at which time we would expect this common effort to be successful.

"We don't have much time. The American people are ready and eager to see this problem resolved. Under international law, we are a seriously aggrieved party and we have a breadth of options available to us—economic, diplomatic, military options, as well.

"To the extent that the allies can join us in making effective the additional diplomatic and economic pressures that might cause the Iranians to release the hostages, then we can forago the requirement that we take additional, stronger actions.

The U.S. wants the allies progressively to reduce diplomatic relations with Iran—and, if necessary, ultimately to sever them—to step up trade embargoes, and start a dialogue "on how the western world might have to cope without Iranian oil."

President Carter obviously envisages a limited time for the allies to back U.S. measures.

He is losing patience over the allies' reluctance to comply and their arguments that universal application of such a regime of sanctions will have no impact on Tehran authorities.

It is apparent that the U.S. is prepared to try to stop Iranian oil flows. European nations and Japan are more dependent on these than the U.S., which stopped buying Iranian crude in November.

The favoured option in the Administration is to mine Iranian terminals rather than to impose a naval blockade.

In another weekend interview, Mr. Carter said: "It is hard to predict that unilateral sanctions on the part of the United States would be adequate to force Iran to release the hostages."

A collective allied response, he said, would have much greater impact.

"We prefer to keep our actions non-belligerent in nature, but we reserve the right to take whatever action is necessary to secure the safe release of our hostages."

Sir Nicholas Henderson, the British ambassador in Washington, described this contention as controversial.

Other allied spokesmen have indicated that they believe that cutting diplomatic ties with Iran would close useful channels of communication and could increase Soviet influence in Iran.

U.S. officials are marginally encouraged that several nations, including Britain, West Germany and France, have recalled their ambassadors in Tehran for "consultations" but they were disappointed by the limited response at last week's meeting of European foreign ministers in Lisbon.

Meanwhile, the U.S. stepped up its sanctions over the weekend by announcing that, as a rule, it will not renew U.S. entry visas granted to Iranians.

The 60,000 Iranian students in the U.S. will not be affected while they remain in education.

Richard Evans, Lobby Editor, writes: Tha UK Government does not intend at present to introduce trade sanctions against Iran in spite of President Carter's plea.

The likely effectiveness of the sanctions is also questioned by many other West European governments.

But West Germany, Iran's largest trading partner in Europe, is ready to impose sanctions as part of a co-ordinated EEC response to U.S. appeals for solidarity by its allies. Bonn is preparing to use

Schmidt warning on crisis, Page 2
Continued on Back Page

BL insists: No concessions

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS, faced with mounting strike action in protest at unilateral imposition of its controversial pay package, insisted last night that no concessions would be made.

Nearly 12,000 workers at eight plants are on strike, with production of the company's most profitable models crippled.

Picketing of Drews Lane factory, Birmingham, which supplies axles and transmissions to Cowley and Longbridge, may spread the dispute to Austin-Morris, and cause the company to lay off thousands more workers.

In a move to head off the confrontation Mr. Moss Evans, general secretary of the Transport and General Workers' Union, was expected to hold informal talks in London last night with Mr Pat Lowry, the BL personnel director.

BL's *gamble*, after five months' abortive negotiations with the trade unions, in attempting to sidestep the leadership and successfully impose a 5 per cent increase linked with fundamental changes in working practices, has suffered a major reverse.

The company has provoked an outbreak of industrial unrest which it is feared will damage public confidence and undermine the main task of recovering market share from the *dangerously* low levels of earlier this year.

But BL appeared determined last night to hold to its strong line.

"Management is not in the mood to stand by and accept the situation. BL Cars directors will meet on Monday to assess the numbers on strike and recommend some type of initiative."

Any significant move seems unlikely before Sir Michael Edwardes, the chairman, returns from a visit to South Africa tomorrow.

He made clear in the last application for funds to the Government that any shortfall in performance would lead to the board's abandoning the *present recovery plan.*

BL might be prepared to stand back from the fray for a short time in the hope that the protest strikes will be thrown into confusion by the divisions between the two big unions.

While the Transport and General Workers' Union has promised official support for members who resist the pay package, the Amalgamated Union of Engineering Workers has recommended acceptance.

Mr. Terry Duffy, president of the AUEW, said last night that his members had been instructed to go in and ignore picket lines today.

The decision by Mr. Evans on Friday to declare protest strikes official changed the whole nature of the confrontation and made BL aware that it was in for a real fight.

The TGWU, while conscious that disputes could mean the end of BL in its present form, feels obliged to defend the traditional powers of its shop stewards to control manning levels and the pace of the job.

The Transport union sees further talks on the pay package as the way to buy time and extract possible concessions.

But the AUEW, which has faced revolt by skilled workers, particularly the toolmakers, fears that new negotiations may erode differentials already offered.

The BL package gives 5 per cent to most workers, but 10 per cent to craft employees.

The clash between the two unions could erupt at the Drews Lane plant, where the bulk of the 2,600 workers are in the AUEW.

Transport workers from the adjoining Common Lane factory, which produces the Sherpa van, walked out last Wednesday and have been picketing Drews Lane.

Delivery drivers are expected to refuse to cross an official picket, which would quickly halt movement of components. Such action might not only produce an outcry among the Drews Lane workers, but also cause lay-offs at the dependent factories.

Ironically, under the company's new conditions of employment there is something of a financial incentive to strike. BL has withdrawn layoff benefit previously payable when workers were made idle by a dispute within the company.

Transport union stewards are now able to pose the choice between being laid off with no pay, or walking out and picking up £6-a-week strike benefit.

That was a key issue influencing the 2,500 workers making Rover saloons at Solihull to join the strike by 3,500 colleagues assembling the Land Rover and Range Rover.

The TGWU has not called out all its members at BL Cars, but stated that it would back those members who resisted the company's proposal.

It is unlikely that flying pickets will attempt to disrupt production at factories where there has not been a decision to stage strike action.

At Longbridge, Birmingham, shop stewards have decided that now is not the time for a confrontation with the company. They will await company moves to introduce new working practices and then support industrial action on an ad hoc basis.

The Longbridge strategy is seen by many in the TGWU as the best way to combat the pay package. There are fears that the present disruption will enable Sir Michael Edwardes to take the initiative in any cutting of the company's operations.

Westinghouse or Signaal likely to get £25m. radar contract

BY JOHN GRIFFITHS

TWO FOREIGN companies are front runners for a £25m contract to supply the Civil Aviation Authority with a new radar system to monitor Britain's air space.

A joint British bid Plessey and GEC's Marconi subsidiary appears to have little chance of success.

The CAA said yesterday a decision would be made this month.

The Plessey/Marconi proposal is still officially on the table and the two companies may make a last effort to strengthen it in the next few days. But the contract is expected to go either to Signal of the Netherlands, a Philips subsidiary, or Westinghouse of the U.S.

The contract forms the biggest, and most controversial, single item of a CAA programme to modernise and re-equip its air traffic control sytems. It plans to spend more than £100m over the next five years.

The other £75m is to be spent on air traffic control towers, radio beacon systems and radar display equipment.

The radar system would combine long-range monitoring and control of aircraft approaching terminals. The contract for this is controversial because if it goes abroad, the British makers say their prospects for capturing a worthwhile share of a world market for new-generation radar estimated to be worth up to £400m would be seriously impaired.

It has led to considerable debate in the Departments of Trade and Industry about whether this is one area in which Government policy of non-intervention in state enterprises might suitably be waived.

Lobbying is expected in the Commons this week in favour of a deal with Plessey/Marconi, but it seemed clear the CAA felt it had won its political battle to award the contract on purely commercial and technical grounds.

It said no decision has been taken. But the outdated military equipment it is using is already near to full stretch. Its occasional inability to handle traffic at peak periods has led to some flight restrictions.

The CAA's main concern is supply — it wants a new system operating in 1984. Plessey and Marconi recently revised their proposals to make their bid competitive, but they lack the major advantage of both Westinghouse and Signaal. Their systems are already in use —Westinghouse's in the U.S. and Signaal's in Singapore. On that basis, they appear to be the front runners.

If Plessey/Marconi lose out in the main radar deal, there are partial compensations in the rest of the re-equipment programme. Contracts have yet to be awarded, but Plessey could expect to pick up a major share of orders for radio beacons and, with Marconi, for radar display equipment.

Nuclear plant costs rise to £1.4bn each

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CAPITAL cost of two nuclear stations to be ordered this year has risen to £2.8bn from a figure of about £2bn given by the Government last summer.

Mr. David Howell, Secretary for Energy, is expected to disclose the revised estimate which has increased faster than inflation over the past year—when he approves tha two orders in Parliament today.

The twin-reactor stations, based on the advanced gas-cooled reactor (AGR), will be at Heysham in North West England, and Torness in Scotland.

The cost of £1.4bn apiece includes the first charge of nuclear fuel and £200m for interest charges calculated for six years of construction.

To keep tha capital cost as low as this, tha electricity supply industry has been involved in protracted negotiations with plant suppliers in recent months.

Construction is unlikely to start in either case, before August, the earliest the electricity supply industry believes it will be ready with a reactor design approved by tha Government's Nuclear Installations Inspectorate.

Since the Labour Government approved the two orders in principle in January 1978, the electricity industry and the Nuclear Power Company, its nuclear design and construction contractor, have designed a new version of the AGR.

The latest version—the fourth commercial design—is based on the AGRs operation at Hinckley, Somerset, and Hunterston in Scotland. But the reactor diameter has been enlarged by several feet to give operators easier access for inspection and repairs.

Extra fuel channels have been added to the reactor core, to produce more power. This will compensate for the lower gas coolant temperature specified to reduce the risk of corrosion.

The modified AGR is expected to deliver up to 660 MW of power, matching the twin 660 MW turbo-generators planned for these stations.

The 1977 thermal reactor assessment comparing the AGR with the pressurised water reactor (PWR) suggested a total of 8,400 man-years work on site for the AGR, compared with 6,800 man-years for the PWR. Large construction projects of all kinds in Britain have been vulnerable to long delays and the smaller amount of work on site has been claimed as an advantage for the PWR.

The design changes have

Issues for Howell, Page 2
Continued on Back Page

Setback for Chrysler as subsidiary sale talks fail

BY IAN HARGREAVES IN NEW YORK

CHRYSLER, which has been told by its bankers to sell assets in return for agreement to save the motor company from bankruptcy, has suffered a major setback. Talks about selling the subsidiary at the top of its disposal list collapsed over the weekend.

Chrysler said it had ended talks with Household Finance Corporation about the sale of a majority stake in Chrysler Financial, its retail and dealer financing arm.

The deal would have been worth more than \$300m *(£136.6m) and is considered* vital to a reorganisation of Chrysler by its domestic bankers. The banks have lent almost \$3bn to Chrysler Financial—twice the amount outstanding to Chrysler—and are anxious to make these loans more secure before dealing with Chrysler's difficulties.

The Government Board overseeing the Chrysler rescue last week confirmed the importance of the Chrysler Financial sale in its first report since Congress passed a \$3.5bn rescue proposal at the end of last year.

The report's negative tone—it suggested Chrysler was continuing to understate its problems and financial needs—has been regarded by some bankers as a signal that President Carter is more willing to see Chrysler face reorganisation through the bankruptcy courts.

Chrysler said it was continuing to negotiate with other undisclosed parties about a possible deal on Chrysler Financial.

£ in New York

—	Apr. 11	Previous
spot	\$2.2050-2070	\$2.1950-2000
1 month	0.25-0.30prem	0.25-0.28prem
3 months	0.67-0.72 prem	0.68-0.73prem
12 months	0.45-0.55prem	0.55-0.70prem

OVERSEAS NEWS

'World could drift into war if superpowers do not take action'

Schmidt warning on crisis

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government is actively preparing to support joint Western economic sanctions against Iran, while openly warning that the crisis in the Middle East region could escalate beyond control.

In a sombre speech this weekend, Chancellor Helmut Schmidt said it was not wholly misleading to compare the current situation with that in 1914 when the world had gradually slipped into war. Noting that no country then had really wanted a conflict, Herr Schmidt criticised both the present superpowers for, in his view, failing to produce a strategy to ensure that a comparable escalation could not occur again.

The Chancellor stressed that the West Germans could not simply be neutral onlookers and that the core of their security rested on alliance with the U.S. Bonn had advised the U.S. against taking military action against Iran. But it had made clear since the start of this year that it was ready to take part in joint Western economic measures "although they will hit us harder than the U.S."

Government officials say the Chancellor was referring to the United Nations Security Council resolution urging sanctions against Iran in trade, transport and banking on the grounds that the American hostages in Tehran had not been released. The Soviet Union vetoed the resolution and the U.S. did not press for sanctions at the time in the hope that diplomacy might bring release of the captives.

It is now understood that Bonn is preparing for sanctions against Iran under the 1961 law governing foreign economic relations. Under Paragraph 7, the Government can make all export to Iran subject to specific permission, which would not be granted, except perhaps for food and medical supplies.

Under Paragraph 23, the Government can introduce similar sanctions in finance and banking. One outstanding problem is that while the measures would extend to operations of all banks in the Federal Republic, they would not legally cover operation of the banks' Luxembourg subsidiaries.

The Government thus initially favours a "gentleman's agreement" under which the banks, both in Germany and Luxembourg, would bar the granting of credit to Iranian customers and the acceptance of deposits from them. The banks are unhappy about this arrangement, arguing that if measures against Iran have to be taken on political grounds then the Government should provide the legal basis for them.

While the West Germans have most of the legal framework available to impose sanctions quickly, it is understood that not all other Western countries are in the same position. Nonetheless, Bonn remains determined that if and when sanctions are imposed, the action will be taken jointly. Hence part of the delay is acceding to U.S. wishes on this issue.

There are many, not least in Herr Schmidt's own ruling Social Democrat Party, who feel that imposition of sanctions will not help free the hostages and that the measures are likely to be circumvented. But there are growing signs that business and industry would greet the decision on sanctions with understanding if without enthusiasm.

Helmut Schmidt . . . concern

West Germany remains Iran's major Western trading partner importing products (mainly oil) last year worth DM4.2bn (£1bn) and exporting goods worth DM2.3bn, compared with DM6.8bn in 1978. The main German exports are now consumer goods, food, chemicals, and spare parts. Major business, for example in industrial plant, has virtually halted.

Setback for Gandhi in Assam

BY K. K. SHARMA IN NEW DELHI

MRS. INDIRA GANDHI suffered her first major setback since she took over as Prime Minister three months ago when she failed over the weekend to persuade students to call off their agitation for the expulsion of "foreigners" from the strategic north-eastern state of Assam.

Mrs. Gandhi flew to Gauhati, capital of Assam, for a day of talks with students who have paralysed economic activity in Assam since last December. They are seeking the deportation of Bangladeshis who, they claim, have migrated to Assam for more than two decades and dominated all activity in the state.

The students refused to call off the agitation despite persistent appeals by Mrs. Gandhi who promised to have foreigners deported if it was proved they had entered Assam illegally since 1971. The students insist on deportation of foreigners who have come into Assam since 1951, despite the immense difficulties involved.

The agitation has affected the whole of India since the students have blocked oil drilling and refining operations. A third of India's oil supplies come from Assam and the agitation has caused an acute shortage of essential items like diesel and kerosene.

Mrs. Gandhi's mission was the first major political initiative she took since taking over as Prime Minister and its failure is bound to harden her attitude towards the agitators. It is expected that firm measures against the students will be ordered, including use of the army to quell demonstrations. Troops have already been put on the alert in Assam.

Buthelezi backs black councils

BY QUENTIN PEEL IN JOHANNESBURG

THE SOUTH AFRICAN Government has won its biggest breakthrough to date in its efforts to get wider black participation in government-established institutions, with a decision by Chief Gatsha Buthelezi, leader of the Inkatha, the largest legal black organisation in the country, to encourage his supporters to participate in Community Councils.

Chief Buthelezi, who is chief minister of Kwazulu, the Zulu tribal homeland, and an outspoken critic of the Government, announced the move in a weekend speech. He urged his followers to use the councils, which are responsible for running civic affairs in black urban townships, to undermine the apartheid system.

The decision is likely to further embitter relations between Chief Buthelezi, the only homeland leader who can boast substantial grass-roots support among South African blacks, and leaders of the black consciousness movement which dominates black schools and universities.

The Community Councils have been established in black urban areas throughout South Africa over the past three years after the collapse of the "Urban Bantu Councils" during the Soweto riots of 1976. But council elections have generally attracted polls of less than 10 per cent in the absence of any significant black political participation.

The blessing of Inkatha, which claims a membership of 300,000, including members outside the Zulu tribe, is likely to give the councils much wider credibility.

But Chief Buthelezi said his aim was for blacks to use the community councils "to outwit the whites." Black leaders who insisted on total non-co-operation with the South African Government, such as most black consciousness leaders, were "living in a fool's paradise. They themselves will one day enter into dialogue or discussion—unless there is a military overthrow of this government," he said.

He foresaw blacks using the Community Councils to evolve "national structures looking our cities and our towns and our villages into a coherent disciplined whole. What can Pretoria do against such a prevailing strategy?"

Fraser claims inflation success

BY PATRICIA NEWBY IN CANBERRA

A CONFIDENT Malcolm Fraser, yesterday set the mood for his ruling Liberal Party's tactics in the run-up to this year's Australian federal elections when he addressed the annual meeting of the party's council in Canberra.

The Prime Minister outlined his government's achievements and spoke optimistically about development prospects for the 1980s.

An election is due to be held in December when the three-year term of the Liberal-National Country Party coalition government expires, but it can be held any time between now and next March.

Buoyed by figures released last week showing growth in the December quarter of 1.3 per cent in real Gross Non-farm Product on top of a September figure of 2.5 per cent, adn decreased unemployment in February to 6.1 per cent of the workforce, Mr. Fraser said his government was entitled to proclaim its achievements and its ability to lead Australia in the years ahead.

The government's main preoccupation remained the fight against inflation, now running at 10 per cent. Although inflation rose 2 per cent last year, Mr. Fraser said Australia's record was better than that of most countries, including Britain's by 9 per cent and the U.S. 4.5 per cent.

Success in controlling inflation had substantially increased Australia's international competitiveness and the volume of manufactured exports had risen last year by 28 per cent over the previous year.

In the past three years there had been no growth in real terms in expenditure in the government sector and the number of civil servants had fallen by 10,000 because of government - imposed staff ceilings.

Mr. Fraser also committed his government to continued foreign investment. This is a touchy subject in Australia where there is some support for the opposition view that multinational companies, not Australians, are benefitting from the Fraser government's liberal attitude to foreign ownership and investment.

Mr. Fraser said Australia would be capital hungry in the 1980s and the government intended to provide economic strength and stability to attract the capital, technology, expertise and skill needed for unparalleled resource and infrastructure development in the decade.

Recent figures showed that A$17bn Australian dollars... ti A$17bn ($8.5bn) worth of mining and manufacturing projects were about to go ahead, Mr. Fraser said.

Belgium moves to compromise

By Giles Merritt in Brussels

EFFORTS to bring Belgium's latest political crisis to end were given fresh impetus over the weekend with the appointment by King Baudouin of a senior Flemish socialist politician to the key job of "informateur."

He is Mr. Willy Claes, Economics Minister and a vice premier in the coalition Government of Mr. Wilfried Martens that resigned last week. His task as informateur is to start negotiation between the country's seven main political parties. This could yield a new coalition grouping.

Since the resignation of Mr. Martens, King Baudouin has been the driving force behind efforts to find a compromise that would not require Belgium's third general election in four years. At the same time, the King is understood to have made it plain to party leaders that failure to reach early settlement could plunge Belgium into the kind of political vacuum that lasted from mid-October 1978 until Mr. Martens formed his Government a year ago.

The chances of a new coalition being formed to seem better now than in the immediate aftermath of Mr. Martens' resignation on April 9 and his acceptance of limited caretaker powers for his outgoing Government. The idea of a broadened coalition that would include Belgium's right-wing Liberals has gained greater support. Over the week-end, the francophone Parti Socialiste indicated that it would possibly accept the Liberals as partners.

Detailed negotiations will still be required to work out a compromise policy programme for such a broadly based coalition. The Liberals' price is likely to be still harsher economic austerity measures and the watering down of plans for regional devolution. These are aimed at defusing the Flemish versus francophone Walloon "language war."

Gibraltar demand

LORD CARRINGTON, the British Foreign Secretary, has been urged to exclude the decolonisation of Gibraltar from Anglo-Spanish talks, following a mass demonstration in Gibraltar yesterday organised by the Gibraltar Socialist Labour Party our Gibraltar Correspondent reports. A petition presented to the Governor of Gibraltar states that the decolonisation of Gibraltar is a matter exclusively between Britain and Gibraltar.

WORLD TRADE NEWS

Textile conference will set stage for MFA talks

BY RHYS DAVID, TEXTILES CORRESPONDENT

THE BATTLE-LINES, which will be drawn up when the developed and developing countries meet next year for negotiations on renewal of the GATT Multifibre arrangement (MFA), should become clear at a major international conference on textiles in Brussels next month.

The conference, which is being organised by the Paris-based International Chamber of Commerce in conjunction with the Trade Policy Research Centre in London, will be addressed by a number of senior figures in world textile negotiations. These include Mr. Reiter Webb, the chief textile negotiator for the U.S. and Mr. Peter Tsao, director of trade in the Hong Kong Government. There will also be speakers representing Third World interests and industrial and consumer organisations in the developed countries.

The next round of the MFA, which is the agreement regulating world trade in textiles, is due to come into force in 1982. A process of reviewing the workings of the present agreement will be starting soon within GATT prior to next year's negotiations. The trade associations in the EEC countries have already begun to lobby member Governments and the EEC Commission for major changes in the next agreement to further tighten current restrictions on imports.

The three major UK trade associations, the British Textile Confederation, the Clothing Industry Council for Europe and the Knitting Industries Federation, are calling for the growth in imports to be tied to growth in the market for textiles, and for much more rigid implementation of the rules contained in any bilateral agreements made by the EEC with supplying countries under the next MFA.

However, a major challenge to these calls is likely to come from Third World suppliers. A further complication has been added by the need to accommodate likely growth in China's exports.

The conference from May 27-29 in the Brussels Sheraton Hotel, is likely to provide some indication of how difficult negotiations will be. A major study of trade in textiles and clothing under the MFA by Dr. Martin Wolf, of Nuffield College, Oxford, and Dr. Donald Keesing of the World Bank in Washington will be published at the conference.

Reuter adds from Lisbon: Portugal has begun negotiations with the EEC to increase its quota of textile exports to the Community this year, Foreign Trade Secretary Armando Sousa Almeida said at the opening of a Lisbon textile fair. He added that negotiations so far justified a cautious optimism about Portugal's chances of increasing its quotas.

The EEC absorbed 77.3 per cent of Portugal's textile exports last year.

The U.S. and Sri Lanka have failed to reach agreement on restricting Sri Lankan textile imports to the U.S., our Colombo Correspondent writes. At the end of two weeks of tough bargaining the Sri Lankan Government told the eight-member U.S. delegation that it had not met the provisions of the international multi-fibre arrangement (MFA). The MFA requires the U.S. to make a sound case, backed with concrete evidence, that Sri Lankan garment exports are causing market disruption in the U.S.

Ready-made garments earned Sri Lanka Rupees 1.1bn ($70m) last year. The U.S. market accounted for more than half this amount.

UK urged to export to Algeria

BY SUSAN MORGAN

ALGERIA HAS expressed considerable interest in greater British participation in its development.

British businessmen are uregd to adopt a more dynamic aproach to the Algerian market. Special attention should be paid to opportunities in new priority sectors, including housing, sewerage, drinking water supply, irrigation and hydrology, education and light industry.

Mr. David Llewellyn, chairman of the recently formed Standing Committee on Algeria for the Committee for Middle East Trade (COMET), told a meeting of the London Chamber of Commerce and Industry that Britain's 3.3 per cent share of the Algerian market was "abysmal." Last year, Algeria was the OECD's second most important Middle East market after Saudi Arabia with imports totalling $7bn.

Mr. Llewellyn who has just returned from a British trade mission to Algeria led by Mr. Cecil Parkinson, Minister for Trade. He said the Algerians were clearly keen that COMET (which comprises businessmen with Middle East experience, Foreign Office, Department of Trade and ECGD representatives) should play a liaison role between the Algerian Government and British exporters.

The Algerians suggested the priority areas for export business in line with the new accent on social development. Algeria is next year embarking on a new five-year development plan due ti be outlined this summer. Mr. Llewellyn believed that Algieria would be obliged to commission turn-key projects for the sake of flexibility, and this would work to Britain's advantage.

A delegation of British town planners is leaving for Algeria later this month to discuss British opportunities in the construction of entire new townships. Algeria is interested in tapping British experience in such projects as Milton-Keynes. Representatives from several major construction companies including Costain and McAlpine have shown keen interest and will visit Algeria in May, having already obtained contract pre-qualification.

Also promising for British companies is the construction and running of educational facilities for 100,000 new pupils. These range from 12 new universities (each costing £90m) to 185 vocational centres. In a major concession, Algeria is now willing to allow teaching in English which is to be upgraded to a working language.

Mr. Llewellyn said that the Algerian Government had expressent a keen desire to diversify commercial links away from France, and that Britain was being urged to take advantage.

Japan, U.S. paper venture

BY RICHARD C. HANSON IN TOKYO

OJI PAPER, Japan's largest paper-pulp producer, is discussing the possibility of a joint manufacturing venture in North America to manufacture for export to the Japanese market.

The company would not disclose the details of its talks, but confirmed that one of the companies it is in touch with is International Paper of the U.S. The Japanese press has reported that Oji was set to enter a joint production venture with IP, by putting up capital along with Mitsui.

An Oji spokesman said that discussions with IP had not yet resulted in any agreement.

Oji is considering such a joint venture largely because of the recent sharp increases in the price of imported wood chips. Since the end of last December, the price for slightly more than a metric tonne of standard Douglas Fir chips has risen from $56 to current offers of around $130.

Any production venture would aim at products beyond the stage of chips. It has been suggested that Oji's venture with IP would first produce printing paper in Canada. Newsprint would come to the second stage. Oji and Mitsui are expected to put up one-third of the capital in such a venture, amounting to around $50m.

World Economic Indicators

UNEMPLOYMENT

		Mar. '80	Feb. '80	Jan. '80	Mar. '79
Germany	000's	875.900	992.500	1,034.500	957.700
	%	3.8	4.3	4.5	4.2
UK	000's	1,413.9	1,383.1	1,338.8	1,350.4
	%	5.8	5.7	5.5	5.7
U.S.	000's	6,400.0	6,300.0	6,425.0	5,871.0
	%	6.2	6.0	6.2	5.7
		Feb. '80	Jan. '80	Dec. '79	Feb. '79
nce	000's	1,390.7	1,377.8	1,362.7	1,313.0
	%	6.1	6.0	5.9	5.7
Japan	000's	1,110.0	1,130.0	1,070.0	1,210.0
	%	2.0	2.1	2.1	1.9
Holland	000's	227.2	232.4	216.7	225.8
	%	5.3	5.5	5.2	5.4
		Jan. '80	Dec. '79	Nov. '79	Jan. '79
Italy	000's	1,681.0	1,662.9	1,623.0	1,730.6
	%	7.8	7.7	7.5	8.0
Belgium	000's	361.7	366.8	368.2	344.8
	%	9.1	9.2	9.2	8.6

SHIPPING REPORT

VLCC rates at new low

By William Hall, Shipping Correspondent

THE Harley Mullion tanker index hit a new 1980 low last week of 122. For very large crude carriers (VLCCs) the going rate remains around the Worldscale 29 mark which is well below the approximate breakeven rate of Worldscale 40.

Some owners are starting to put their vessels back into mothballs and the large oil companies have been slimming down their giant tanker fleets.

British Petroleum, which has five VLCCs laid up in Brunei Bay, reported last week that its long-term time chartered fleet had been reduced from 9.2m dwt to 6.8m dwt over the past four years. Its wholly-owned fleet had been cut by more than a tenth over the same period.

Some owners are going a step further and actually starting to scrap their VLCCs. Early last month, scrap prices reached a record of $250.50 per ton and this prompted a number of owners to send their VLCCs to breakers' yards. P. F. Bassoe, the Norwegian shipbrokers, calculate that five VLCCs were for demolition last month.

Lesotho set to loosen S. African trade links

By Bernard Simon in Johannesburg

LESOTHO, the tiny mountain kingdom and former British protectorate encircled by South Africa, is actively studying ways of reducing its almost total economic reliance on Pretoria.

The Government in Maseru is believed to be considering, among other things, the advantages and drawbacks of terminating its membership of the Southern African Customs Union of which South Africa, Botswana and Swaziland are the other members.

The Ford Foundation, assisted by the Ministry of Finance, recently completed a report on Lesotho's international economic relations which is currently being studied by the Cabinet. Although still confidential, the report is believed to conclude that withdrawal from the Customs Union may not be as costly as has generally been thought.

Lesotho was paid R71.4m (£41.22m) from the Customs Union pool last year, up from R56.1m (£32.4m) in 1978-79. The importance of Customs Union revenues to the national economy is declining, however. The Minister of Finance disclosed in his budget last week that the contribution of Customs Union income to Government revenues has dropped in the past year from 74.5 per cent of the total to 65.2 per cent.

Like Botswana and Swaziland, Lesotho's main objection to the Customs Union is that its imports are subject to Customs tariffs designed to protect South African industries. Importers in these countries thus usually end up buying from South Africa. Were it not for high Customs duties, it might be cheaper to buy some articles, particularly clothing and chemicals, from abroad.

On the other hand, some observers wonder whether these countries under-estimate the convenience of buying from South Africa in terms of short delivery times and easy communication. In the case of land-locked Lesotho, withdrawal from the customs union would also create the problems of transporting goods in bond across South African territory.

The permanent secretary for finance, Mr. Abram Monyake, said in an interview that "there is nothing in the policies and intentions of the Lesotho Government to suggest that it intends pulling out of the customs union." The conclusions of the Ford Report could however affect Maseru's views. Mr. Monyake adds that "what will happen next year is a completely different matter."

Even if the Government decides to stay in the customs union, it is looking for other ways to loosen its ties with Pretoria, and is clearly not a candidate for South African Prime Minister P. W. Botha's constellation of Southern Africa states. Lesotho was one of the black-ruled southern African countries which met in Lusaka earlier this month.

The country's third development plan, due to be published soon, is expected to stress the importance of expanding external transport links and diversifying import sources.

The Minister of Finance announced in his budget that civil engineering work on Maseru's new international airport is due to start by the end of the year, and completion is scheduled for 1983. Lesotho already has a direct air link with Mozambique.

Government officials have been visiting other countries to discuss ways in which Lesotho can lower its reliance on imports from South Africa. According to one civil servant, these talks have centred on techniques rather than specific products, and no tangible benefits have yet emerged from them. "It would be impossible to break all links with our neighbour," says another official, "but the Government seriously wishes to diversify its trade links."

A major drive to encourage foreign investment was launched last year. The Government is particularly interested in labour-intensive industries to compensate for a possible drop in recruitment by South African Mines, which employ about 112,000 Basotho. A slight increase in recruitment by the gold mines in recent months has been more than offset by a fall in openings at collieries.

The loosening of ties with South Africa — even if little more than cosmetic — could be a useful political weapon for Prime Minister Leabua Jonathan. Lesotho has been rocked by growing civil unrest in the past year and the opposition Congress Party's support appears to be growing. The Congress Party frequently accuses Chief Jonathan of collaboration with Pretoria.

Liberian leaders face treason charges after coup

BY PETER BRUCE

LIBERIA'S new leader, Master Sergeant Samuel Doe, announced yesterday that members of the Government of President William Tolbert, shot dead in a military coup on Saturday morning, will face a military tribunal today, on charges of high treason, corruption and violation of human rights.

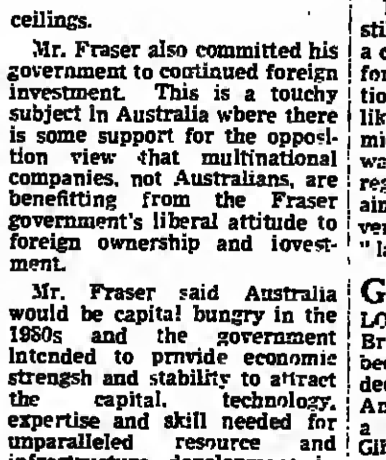
There were reports yesterday that President Tolbert's son, a politician, had also been executed.

Sergeant Doe yesterday named a 15-man Cabinet, made up of soldiers and civilians, including members of the opposition People's Progressive Party (PPP), jailed by President Tolbert a month ago, when he, also, banned the party. The PPP had existed for only four months as the first and only opposition to President Tolbert's True Whig Party which has been in power since the formation of the country in 1847.

The coup is unlikely to upset Liberia's strong links with the West—particularly the U.S.—or relations with its neighbours. In Washington, the State Department said its charge d'Affairs in Monrovia had been told by the new regime it had no desire to alter its relationship with the U.S. The U.S.-owned Omega Communications and Monitoring Site is one of the most important of its kind in Africa.

In May 1975, the Economic Community of West African States (ECOWAS), initiated by Liberia a decade earlier, was established in Lagos with initial capital of $50m. Under the Mano River Union, Liberia and Sierra Leone have begun looking at ways to develop the river basin for agriculture and possibly, hydro-electric power. Liberia is likely to remain a party to both agreements.

Liberia has maintained an open door to foreign investment. Firestone, hte U.S. tyre group, virtually controls the Liberian rubber industry, after being given a 99-year lease on nearly a million acres of rubber in return for a $5m loan in 1927. Firestone now employs some 12,000 people on about 90,000 acres of rubber, the country's biggest earner.



Expansive iron ore deposits, Liberia's fastest growing earner, have also attracted significant foreign capital, with Bethlehem Steel of the U.S. and Japanese, German and Swedish producers taking up to 50 per cent stakes in the deposits.

The only clue to new Government policies lies in statements made by Mr. Gabriel Bacchus Matthews, the new Foreign Minister and PPP leader, after his release last year, when he proclaimed himself an "African socialist." He said he was seeking "a more equitable distribution of resources, totally free health care and education and basic services for the public."

President Tolbert assumed the Presidency in Liberia after the death of President William Tubman in 1971 and promised to end the sweeping corruption which characterised Liberian politics and economics at the time. To a certain extent he did, but allegations of corruption persisted.

Liberian society has been dominated for more than a century by a wealthy core of descendants from freed American slaves. The Americo-Liberians have maintained strong links with the U.S. south—even to the extent of speaking with a southern drawl—and have generally been first to take a slice of the foreign investment in the country. Indigenous Liberians, who populate most of the hinterland, were represented by only a handful of politicians in the True Whig Party.

Political power has been held mainly within the Masonic lodges. Almost all Liberian leaders under President Tolbert were members of the Masonic Craft, which charged $2,000 as an initiation fee. According to the World Bank, Liberian per capita income is between $200 and $500 ay year.

The immediate cause of the coup may have been the pending indictement of Mr. Matthews and about 35 other party leaders for treason.

Mr. Matthews had actively opposed President Tolbert. In April last year he led demonstrations in the capital, Monrovia, against a proposed increase in the price of rice, the staple diet in Liberia, in which more than 40 people were shot dead. President Tolbert deported two Soviet diplomats, whom he said had fermented the protest.

Mr. Matthews and other leaders of the Progressive Alliance of Liberia, which spawned the PPP, were jailed and charged with treason. They were released just before the opening of the Organisation of African Unity Conference in Monrovia in July last year which President Tolbert, as OAU chairman for 1979/80, was hosting.

Mr. Matthews was again arrested on March 7 this year after calling for a general strike.

William Hall, Shipping Correspondent, writes: Around a fifth n fthe world's shipping fleet is registered under the Liberian flag and it is still unclear what impact the overthrow of President Tolbert will have on the shipping companies.

Captain David Bruce, the London representative of the Liberian Bureau of Maritime Affairs was flying back from the U.S. yesterday and no one was available for comment at the U.S. headquarters of Liberian Services Inc., which administers the Liberian shipping fleet.

Shipping is Liberia's third most important source of income. Shipowners pay an anual levy of 10 cents per ton to fly the Liberian flag and Liberia earns around $12m a year for its services as the world's largest flag of convenience.

Most of the world's big oil companies operate tankers under the Liberian flag, and Grek and Hong Kong owners also have a sizeable amount of Liberian registered tonnage. It gives them more operational flexibility and considerable savings in tax and crew costs.

The Liberian fleet is under the control of the Liberian Bureau of Maritime Affairs which is an arm of the Ministry of Finance. However, much of the day-to-day administration of the fleet has been delegated to the International Trust Company, owned by a Washington-based financial service company.

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Belvoir mining inquiry enters final stage

BY MARTIN DICKSON

THE BELVOIR mining inquiry enters its final stage this week after an intensive, six-month examination of the British coal industry and its prospects.

The closing speeches will begin on Wednesday and the inquiry, at Stoke Rochford Hall, near Grantham, should be over by the end of the month. Mr. Michael Mann, QC, the inspector heading the inquiry, will then spend several motnhs drawing up his report tot he Government on whether or not the National Coal Board should be allowed to sink thre uew mines in north-east Leicestershire, one of them in the attractive Vale of Belvoir.

He will have to digest an extraordinarily wide range of evidence—from learned but conflicting accounts of Britain's future energy needs to estimates of the nervous stress produced in a highly strung battery chicken by mine shaft blasting.

The NCB's mining plans are opposed by a wide range of local and national bodies, including Leicestershire Council and a coalition of vociferous Vale residents known as the Alliance.

The inquiry is regarded as a test of the conflict between environmental considerations and national energy needs. One question is likely to dominate the closing speeches: Does Britain need to start mining Belvoir coal in the 1990s to belp meet its energy demand?

The NCB says yes. It argues that the 7.2m tonnes of coal it wishes to mine from Belvoir each year will be needed.

But opponents of the scheme have made some telling dents in the board's case. The NCB has been criticised particularly for not producing its own predictions but relying on those produced by the Department of Energy—which has repeatedly revised its demand figures downwards over the past two years.

According to Mr. Garald Manners, a star witness for the Alliance, on any reasonable assumptions about energy requirements the NCB's plans are premature by at least a decade.

Similar arguments bave been advanced on bebalf of Leicestershire County Council by Professor Colin Robinson, bead of the economics department at the University of Surrey. He maintains that demand for coal in 2000 will be only 70m to 100m tonnes, partly because coal will not be significantly cheaper than oil and partly because nuclear power will bave eliminated a large part of its alectricity market.

Despite the NCB's somewbat complacecent stance on the question nf nead, the board still seems tn have tha advantage. If the inquiry hs shown anything it ia the uncertainty of energy forecasting. That being so, the tendency of any Government would be to err on the side of caution rather than risk an energy shortage.

But assuming the NCB gets thc go-ahead, the inspector could still recommend to the Government, which makes the final decision, some major constraints on the means of extraction. Some opponents, for example, have suggested tbat permission at least be refused for the mine to be built witbin the Vale, near Hose village.

An issue wbich will feature particularly prominently in the closing speeches is whether colliery spoil should be tipped at the site of the mines or removed by rail to Bedforsdhire's Marston Valley to fill up exhausted hrick pits.

Bedfordshire County Council is keen to fill the pits. London Brick Landfill, a subsidiary of London Brick and the owner of the boles, is prepared to provide the NCB with a waste disposal service provided it makes a profit on the deal.

The board has been opposing remote tipping which it fears could add at least £14m a year to mining costs and lead to lengthy legal wrangles. But if Mr. Mann is to make a stand on behalf of conservationists, it could well be on the tipping issue.

Air Europe tops £1m in profit

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR EUROPE, the UK holiday airline formed in 1978, earned a pre-tax profit of juat over £1m for the 16 months from July, 1978, to October 28 last year.

The airline began flying on May 4 last year, and in the period to end-October generated revenue of more than £8m.

During its first summer, Air Europe flew 135,000 round-trip passengers on 1,200 flights. For the current year it is contracted to fly 300,000 passengers on 3,000 round-trips to Continental destinations until October.

Tha airline now bas five Boeing 737-200 jet airliners. A sixth 737 is to be delivered next year, bringing the investment in aircraft to £36m.

Expansion plans include the possibility of long-baul flights to Miami, and the purchase of wide-bodied jet airliners.

The company has applied to the Civil Aviation Authority for rights to fly the Gatwick-Miami route. Laker Airways also wants the route, and a public hearing by the CAA into the rival airline's bids starts on April 23.

Gatwick-based Air Europe is an associate of Intasun, the UK tour operator.

Subsidy for Highlands helicopter services

THE SCOTTISH Hhighlands and Islands Development Board has agreed, if local anthority support continues, to provide a subsidy of up to £44,000 in the coming year for a planned expansion of the scheduled halicopter service run by Burntbills Aviation between Glasgow and Fort William.

Board assistance depends on the Glasgow-based company increasing the frequency of the service from five to nine return flights per week, and providing optional stops en route at Rothesay, Lochgilpbead and Oban.

Burnthills Aviation has been encouraged by the level of passenger traffic between Glasgow and Fort William since the service was introduced on an experimental basis in December 1978.

The company plans a new scbedule on May 1 whicb will allow return flights eacb way at least three days a week.

On comparable air routes—for example from Aberdeen to Wick, and from Glasgow to Islay—the introduction of daily return services bas boosted passenger demand.

Burnthills hopes that a more frequent service will increase traffic to a level which will make the operation viable within a few years.

Qantas 'business class' for London-Australia flights

QUANTAS, the Australian airline, is to extend its "business class" service to all London-Australia flights from May 1.

The business class, priced at the full economy-fare level, plus 20 per cent, is aimed at the frequent business traveller.

In the past, airlines provided two types of service, with the businessman who did not want to pay first-class fares travelling economy class. This led to some idsquiet when businessmen found they were travelling next to passengers paying discount rates.

In the last couple of years airlinas bava been introducing three classes of seat, to try to attract the regular businessman to a seat at tbe economy rate but with a better service than discount seats.

Qantas said its business class was available only to those paying the business class fare. The single fare from London to Sydney will be £876.50. By comparison, the corresponding full economy fare is £730.50 and first class fare, including sleeper chair aurcharge, is £1,260.50.

Britisb Airways, which provides a similar business class service on many long-haul routes, called "club class," said it planned to introduce the three-class service on its flights to Australia soon.

DAVID FISHLOCK ON NUCLEAR POWER STATIONS

Howell go-ahead expected on two projects today

BRITAIN'S nuclear power stations at Heysham and Torness will cost at least £1.2bn each tn build and fuel initially. The pew price is running ahead of inflation since the Government last gave an expected capital cost of the new advanced gas-cooled reactors (AGRs).

It is likely to be disclosed today, when the Energy Secretary is expected to give the two projects the go-ahead.

Mr. David Howell is scheduled tn answer several questions from MPs nn progress of the nuclaar programme he announced in December.

These centre on two main issues. First, whether the Government still intends to anthorise more AGRs, as stated in December. Second, who is to lead the reactor design and construction industry when Lord Aldington steps dnwn, as the Government has requested.

The Government is still exploring the ramifications of actually appointing its latest choice, Mr. Denis Rooney, chairman of Balfnur Beatty, as chairman of a reorganised nuclear contractor.

It cannot afford any repetition of events last autumn. Mr. Howell personally invited Sir Jobn King, Babcock International chairman, to become part-time chairman, only to be told be was nnacceptable to other shareholders and the Central Electricity Generating Board.

In Mr. Rooney the Government bas found a man apparently acceptable to the Generating Board. Befnre be can announce tbe appointment, Mr. Howell bas to sort out Mr. Rooney's future relations witb Dr. Norman (Ned) Franklin, the chief executive, who was also appointed in 1975 at the invitation of a Cabinet Minister.

He must also satisfy Sir John, wbose company owns 12.5 per cent of the nnclear contractor and who can reasonably expect a public explanation of why his invitation to become chairman was withdrawn later.

But Mr. Howell is expected to try to confine his answers to the two AGR stations. Tbese were jeopardised wben the electricity supply industry said earlier this year it had postponed until August the date for starting construction, originally scheduled for this spring.

One reason was that the design for the four new 660 MW AGRs was not ready to be submitted to the chief nuclear inspector.

Another reason—at the root of fierce arguments in Whitehall and Westminster in the past few weeks—is that the expected capital cost is much bigher.

With interest charges calculated for six years of construction, the capital cost is put at £1.4bn, including the first charge of nuclear fuel. This works out at £200m interest during construction.

The new reactors are a modified version of those operating at Hinkley and Hunterston. There is a bigger pressure vessel to allow greater access for in-service inspection and repairs, and a bigger core to restore the power lost by dropping the gas temperature some 30 degrees C.

Inflation accounts for some of the higher cost. But anotber important factor is uncertainty among suppliers about future orders for a reactnr in which some invested heavily once, expecting long production runs.

Despite Generating Board assurances that it wishes to keep the AGR option alive, even after embarking on pressurised water reactors (PWRs), the contractors doubt whether there will be more than one nr two more AGR statioos, at most.

It bas been seriously proposed that the way out of present financial difficulties would be to order only one AGR stalion this year, for Torness. The Generating Board would act as engineering consultant to the South of Scotland Electricity Board, while concentrating its financial resources on PWRs.

As one sceptical cbairman commented: "This seems to be a recipe for getting one station for the price of two."

The Governmant's dilemma in the past few weeks has been a real one. Attempts to encourage it to come down wholly on the side of one reactor or the other bave been misguided, at worst malicious.

The Generating Board's long-range nuclear strategy, accepted by the Labour Government early in 1978 and endorsed by the present Administration last December, is still sound in every electricity consumer's best interests.

Part of the strategy is for a full-scale appraisal—including cost and public accaptability—of the 1,100 MW Westinghouse PWR station it believes it conld build for 10-15 per cent less that the same amount of AGR power.

The plan's other part is to continue to build AGRs, at least until the PWRs' advantages bave been demonstrated convincingly, wbich could be into the 1990s.

If either part of the plan is curtailed or abandoned, the loser will surely be the electricity consumer.

Give MPs more say on spending, urges report

BY DAVID MARSH

PARLIAMENTARY procedures in Britain and other Commonwealth countries should be changed tn increase backbench MPs' infinence over government spending plans, says a Commonwealth Parliamentary Association study group.

A report of tha group's discussions is published by tbe Economist Intelligence Unit*.

The group met in London last September and was chaired by Mr. Edward du Cann, MP. Its members included ministers, ex-ministers and leading backbenchers from Australia, Barbados, Canada, India, Malaysia and Zambia.

The report on the discussions was written by Peter Riddell, FT Economics Correspondent.

The group broadly agreed on the need for more effective means to question and monitor the executive's expenditure proposals. But the report notes only limited progress in implementing proposala for reform.

It suggesta that parliaments sbould be able to debate and vote on proposals to alter details of public spending plans.

**Parliament and the Scrutiny of Public Finance, published by the Economis Intelligence Unit, £7.50.*

Opposition to sick pay proposals

By James McDonald

A SURVEY of small to medium-sized private businesses shows that more than 60 per cent of the 5,000 sample oppose Government plans to make them responsibla for paying employees' short-term sickness benefits.

"Most companles already operate short-term sickness pay schemes. What we do not need is the imposition of yet another unproductive legal straightjacket on private entreprise," says Mr. Stanley Mendham, cbief executive of the Forum of Private Business, which carried out the survey.

Under the proposed legislation, employers would pay an employeea first eight weeks slckness benefit.

Abolition of business registry attacked

FINANCIAL TIMES REPORTER

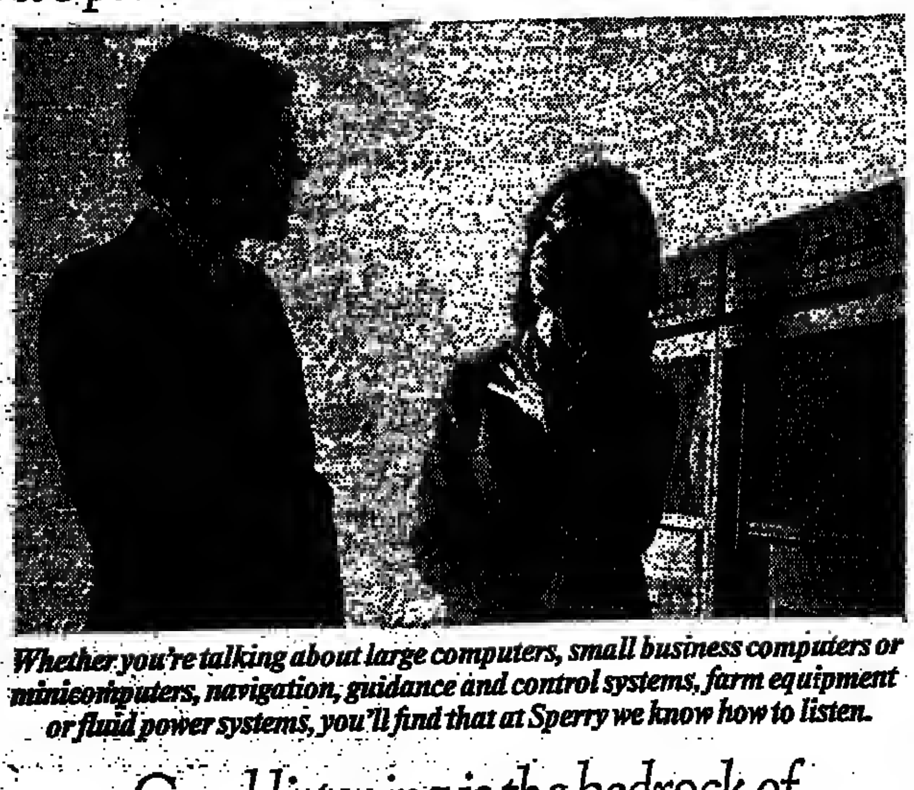
THE GOVERNMENT'S proposal to abolish tha registry of business names has been called a "small-mlnded and narrow approach to public cost cutting," by the London Cbamber of Commerce and Industry.

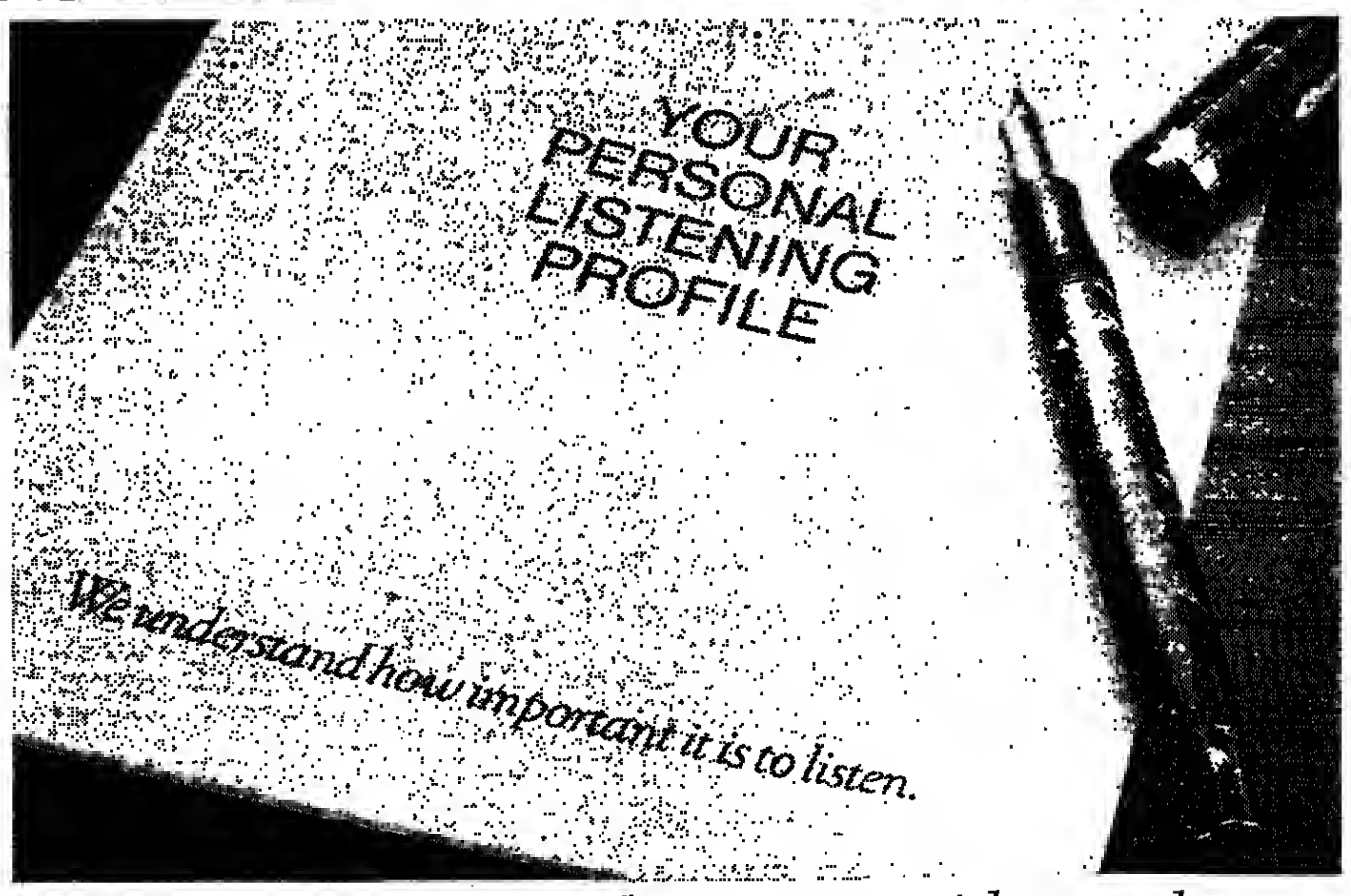
The cbamber said the measure would save only a minimal amount in public expenditure at the expense of a valuable and, as yet irreplaceable service.

Evidence in favour of retaining the registry was submitted to the Department of Industry earlier this year, by the chamber. It said that if the registry were abolisbed, useful and often essential information to both consumers and public bodies would become increasingly difficult and expensive to locate.

The chamber suggested that it would be "most unwise of the Government to force througb this measure," which it is claimed would save £1.5m, without listening to the arguments of users of the service wbo overwhelmingly support its retention.

The service could even make a profit, said the chamber, if for example, charges for registration were increased from the present "unrealistic" sum of £1.0 to between £15 and £20.





UK NEWS

New orders for Wimpey near £8m

WIMPEY Construction has announced contracts worth £7.7m. The orders include ones from Birmingham (three totalling £3.4m), Maidstone, Kent (two worth £2.4m) and Manchester (£1.9m).

Birmingham Wimpey is to supply Redditch Development Corporation with 39 advanced factory units, to be completed in a year, for £2.426m, and carry out remedial work on three multi-storey blocks of flats in Eve Hill, Dudley, for Dudley Metropolitan Borough Council.

Wimpey, Maidstone, Kent, has won two contracts from the Greater London Council housing department for remedial works to 646 dwellings at Edenbridge.

Wimpey Manchester has entered a contract valued at more than £1.9m for modernising 182 dwellings in the first phase of the Stoops Estate project, Rossendale Road, Burnley.

International Paint's £16m growth plan

BY LORNE BARLING

INTERNATIONAL PAINT, the world's leading supplier of paint for marine uses, is to invest £16m in increasing its capacity to produce paint for the motor industry, and will move strongly into export markets.

The company is now the market leader in the supply of coatings to the UK market for cars, buses and trucks. The new investment will take place at its premises at Ladywood, Birmingham, where new plant, buildings and equipment will be provided over the next 10 years. The plan will be implemented in five phases.

Mr. Austin O'Malley, the IP director mainly responsible for the investment, said: "We are gearing up to meet new demands from all parts of the world. We intend to do a marine exercise on our automotive business and become the world leader."

The investment will mean moving the company's automotive division from Silvertown in London to Birmingham, where the vehicle finishes division is now based, concentrating the company's substantial automotive business on one site.

Mr. O'Malley said the investment was aimed at doubling the division's capacity, to meet an expected increase in demand. Only 5 per cent of output is now exported.

The company intended to pursue business in all parts of the world, he said, since the motor industry was spreading geographically. The company was developing a strategy for handling overseas business.

European markets are seen as particularly important, but the company is also keen to increase business in developing countries where automotive industries are growing fast.

IP's Ladywood Business Centre, as it will be known, will be one of a number of profit-centres being created by the company, and will become a high-performance, high technology, high-productivity unit. The number of jobs there, now around 300, will not increase.

Mr. O'Malley said: "We plan to introduce the latest technology, including micro-chip computers, not to reduce jobs but to sustain the existing Ladywood workforce in the face of formidable international competition.

"The money we need for investment can only come from the profits which the business centre earns. Higher output will give IP those profits and ensure a successful future for the site and its workforce."

Haulage managers criticised

By Lynton McLain

BRITAIN'S ROAD hauliers are criticised in a report this morning for a "deficiency in basic management skills" vital for company survival in the 1980s.

The report by Inter Company Comparisons on "Road hauliers—an industry sector analysis," looks at the financial performance of 99 of Britain's main haulage companies, in the private and public sectors.

The industry is criticised for the "laxity of its debt control." Debts are collected on average 70 days late, more than double the 30-day limit set by most credit controllers. This "generosity" is particularly damaging because many costs in road haulage are weekly.

However, despite these difficulties and rapidly rising wage and fuel costs, the industry's average profit margins rose from 0.6 per cent in 1976-77 to 4.3 per cent in 1978-79.

Italian car deal plan for Subaru

BY JOHN GRIFFITHS

SUBARA UK, the West Bromwich-based Japanese car importer, is expected to announce shortly thta it is to take over importing and retailing of Maserati and de Tomaso cars in tha UK.

Subaru yesterday refused to comment. But it is understood the company has already concluded an outline agreement to take over the cars' franchise from Modena Concessionaires and its retailing arm, MTC.

The market for Italian-produced luxury sporting cars priced at between £18,000 and £30,000—is small. A few dozen a year are sold through nine dealers.

But Subaru, which is setting up a separate subsidiary to handle the cars, plans to expand the dealer network. It also expects expansion of its Japanese car sales. Its exact imports quota for 1980 has yet to be decided under the Japanese manufacturers' "voluntary" agreement to market their cars "prudently" in the UK.

But the company will move next month from its existing premises at the old Jensen cars plant in West Bromwich to a new £1½m complex on a 12-acre site nearby. Here it will handle UK sales, which it hopes will amount to 6,000-7,000 units this year. The site is adequate for a CKD (assembly from kits) operation if such a scheme were to gain the approval of Subaru in Japan.

Mr. Robert Edmiston, Subaru's managing director, has predicted potential Subaru UK sales of 20,000-30,000 units. In 1978, its first full year, Subaru sold 1,556 cars. Last year, the figure was 4,553. Currently it has 68 dealers but plans more.

Subaru comes under the umbrella of Britcar Holdings, also controlled by Mr. Edmiston, who was formerly financial director at Jensen.

This week in parliament

TODAY

COMMONS — Criminal Justice (Scotland) Bill, second reading. Motions on Northern Ireland Orders—Domestic Proceedings; Maintenance Orders (Consequential Amendments); and Bankruptcy (Consequential Amendments).

LORDS—Consular Fees Bill, committee. British Aerospace Bill, report. Motions to approve Location of Offices Bureau (Revocation) Order 1980. Motions to approve Northern Ireland Orders. Debate on Zimbabwe independence.

SELECT COMMITTEES — Public Accounts. Subject: Control and regulations of housing associations. Witnesses: Department of the Environment and the Housing Corporation. (Room 16, 4.45 pm.) Treasury and Civil Service. Subject: Budget and public expenditure white paper. Witness: Sir Geoffrey Howe, the Chancellor. (Room 15, 4.45 pm.) Treasury officials. (Room 15, 11 a.m.)

TOMORROW

COMMONS—Social Security (No. 2) Bill, second reading. Insurance Companies Bill, remaining stages. Companies Bill, Lords amendments.

LORDS—Social Security Bill, committee.

SELECT COMMITTEES — Defence. Subject: Defence Estimates, statement. Witnesses: Ministry of Defence. (Room 16, 4.15 pm.) Foreign Affairs. Overseas development sub-committee. Subject: Development divisions of the Overseas Development Administration. Witnesses: Overseas Development Administration. (Room 15, 5 pm.)

WEDNESDAY

COMMONS — Timetable motion, Housing Bill. Port of London (Financial Assistance) Bill, second reading. Motions on the Shipbuilding (Redundancy Payments Scheme) (Amendment) Orders for Britain and Northern Ireland.

LORDS — Debate on Opposition motion on Government domestic policies. Trees (Replanting and Replacement) Bill, second reading.

SELECT COMMITTEES — Public Accounts. Subject: Equity sharing schemes and national loan fund accounts. Witnesses: Department of the Environment and the Housing Corporation. (Room 16, 4 pm.). Defence. Subject: Statement on defence estimates. Witnesses: Ministry of Defence. (Room 8, 10.30 am and 4.30 pm.) Foreign Affairs. Subject: Effects of Soviet expansion for British foreign policy. Witnesses: Mr. Kaser, Mrs. V. Yorke and Mr. L. Turner. (Room 15, 11 am.) Education, Science and Arts. Subject: Funding and organisation of courses in higher education courses. (Room 6, 11.30

THURSDAY

COMMONS — Employment Bill, remaining stages.

LORDS — Debate on report of the European Communities Committee on the CAP; EEC sugar policy and EEC agricultural cost-cutting and price proposals. Debate on water pollution.

SELECT COMMITTEE — Welsh Affairs. Subject: Role of Welsh Office and associated bodies in developing employment opportunities. Witnesses: Welsh Development Agency. (Room 16, 10.30 am and 4.30 pm.) Environment. Subject: Council house sales. Witnesses: London Borough of Wandsworth. (Room 15, 10.30 am.)

FRIDAY

COMMONS — Private Members' motions.

No plans for Forth Bridge limits

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THERE are no plans to restrict traffic using the Forth road bridge or to impose weight restrictions despite a report by consulting engineers of the strength of box girders in the bridge.

The bridge, which carries 25,000 vehicles a day is of a suspension design, but box girders are used in the viaducts on each side of it. More than £1m has been spent on modifying and strengthening these sections of the bridge, which was built in 1963 at a cost of £20m to link Edinburgh with the main route north.

But a report by consultant engineers Babtie Shaw and Morton for the Forth Road Bridge Joint Board, which is responible for the structure, is believed to have questioned whether the work meets the Government standards for box girder construction.

Mr. Bruce Grewar, the bridge master, said the report had been discussed by the Board, but there was no cause for public alarm. There were no plans at the moment for traffic restrictions.

The Automobile Association said: "We are fully aware of the safety measures for bridges in thie country. They are very stringent and err on the right side of caution. "We are satisfied there is no need for public concern. If that was the case restrictions would be imposed."

But two Labour MPs, Mr. Tam Dalyell and Mr. Dick Douglas, whose West Lothian and Dunfermline constituencies cover the bridge approaches, yesterday demanded Government action over the report's claims.

Mr. Dalyell said: "We are both formally approaching the Scottish Office as a matter of supreme urgency, urging them either to publish the confidential report or alternatively that Mr. George Younger, the Scottish Secretary, should make an immediate statement.

"There will have to be very good reasons given why the facts, and preferably the report itself, canot be published."

Ratepayers' rights guide

A PAMPHLET setting out the rights of ratepayers to challenge local authority decisions has been published today by the National Federation of Self Employed and Small Businesses.

The Federation said the pamphlet, called "Watchdog! The Ratepayers' Guide to Making Complaints about Local Authorities to District Auditors," would "aid the genuinely concerned ratepayer to exercise his or her rights under the 1972 Local Government Act."

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Apr. 15—18	COMMUNICATIONS 80—Communications Equipment and Systems Exhibition (021-705 6707)	NEC, Birmingham
Apr. 15—19	Ideal Home Exhibition (0272 312850)	City Hall, Hull
Apr. 17—20	Tipping (vehicles) Convention and Exhibition (01-387 9711)	Harrogate
Apr. 19—21	Optrafair '80 (01-405 8101)	Earls Court
Apr. 21—25	International Fire, Security and Safety Exhibition—IFSSEC (01-388 7661)	Olympia
Apr. 22—May 2...	International Machine Tool Exhibition—MACH 80 (01-402 6671)	NEC, Birmingham
Apr. 28	International Food and Wine Exhibition (06284 3442)	Exhibition Centre, Leeds
Apr. 28—May 1...	Audio Visual Exhibition (01-688 7788)	Wembley Conference Centre
May 2—5	Spring Motor Cycle Show (04866 74987)	Bingley Halls, Birmingham
May 2—6	Boat Show (0272 657783)	Exhibition Centre, Bristol
May 3—5	National Collectors Exhibition (01-629 4917)	Kensington Town Hall
May 6—14	International Philatelic Exhibition (01-385 1200)	Earls Court
May 9—10	Amateur Radio Exhibition (01-837 8688)	Alexandra Palace
May 11—13	British Craft Trade Fair (0282 867153)	Harrogate
May 11—14	Confectionery, Tobacco and Newsagents' Exhibition (0428 52785)	New Horticultural Hall, Westminster

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	MODEXPO '80: International Ladies Fashion Fair (until April 15)	Zurich
Apr. 15—19	Transport—Expo '80 (01-486 1951)	Paris
Apr. 16—24	Hanover Fair (01-651 2191)	Hanover
Apr. 18—24	International Spring Fair (01-486 1951)	Zagreb
Apr. 21—25	World Tobacco Exhibition (0737 68611)	Nice
Apr. 21—26	Scientific and Measurement Apparatus Exhibition (INSTRUAMA) (01-235 5422)	Brussels
Apr. 24—28	Perfumery and Cosmetics Exhibition COSMOPROF	Bologna
Apr. 29—May 2...	Biochemical and Instrumental Analysis Exhibition (ANALYTICA) (01-486 1951)	Munich
May 2—9	Salon International du Textile et du Cuir (01-584 8827)	Casablanca
May 6—8	Compec Europa Exhibition (01-261 8000)	Brussels
May 7—11	Scandinavian Furniture Show (01-540 1101)	Copenhagen
May 10—13	International Trade Fair for Optometry—OPTICA (01-409 0956)	Cologne
May 14—17	International Tyre Dealers, Vulcanizers and Retreaders Trade Fair	Essen
May 17—21	Industrial Equipment Exhibition	Brussels
May 19—21	Mint Directors Conference and Exhibition (01-486 1951)	Utrecht
May 20—23	International Petroleum Exhibition—PETROTECH	Amsterdam
May 26—30	International Rubber and Plastics Exhibition (021-705 6707)	Singapore
May 27—30	Petroleum and Marine Environment International Conference and Exhibition	Monte Carlo

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Apr. 14	Oyez—IBC: Consumer Credit Act 1974: New Orders and Regulations (01-242 2481)	Hilton Hotel, W1
Apr. 15	IPS: Controlling Purchasing Costs in an Inflationary Climate (0990 23711)	London Press Centre
Apr. 16	CCC: Letting Residential Property for Profit (01-222 6362)	Hilton Hotel, W1
Apr. 16—17	Food Manufacturers' Federation 5th Annual Conference: Food for Growth (01-836 2460)	Grosvenor House, W1
Apr. 9—11	Leeds University: Manpower in Transport—Future Prospects (0532 35036)	Leeds
Apr. 14—16	UKAEA (NCSR)/Turnkey Software: Data Management for High Technology Industries (02407 3410)	Southport
Apr. 15	Chiltern Personnel Consultants: Practical Salary Administration (04946 4822)	Gerrards Cross
Apr. 15—16	M. G. Howitt and Ass.: Sales Promotion—Building Products and Services (0588 780400)	RIBA, W1
Apr. 16	Netherlands-British Chamber of Commerce: Holland—a profitable base for international operations (01-405 1358)	Accountants Hall, EC2
Apr. 16	IPS: Waste—Reclamation or Disposal (0990 23711)	Carlton Tower, SW1
Apr. 18	Oyez: Zero Base Budgeting—A priority Planning Approach to Controlling Overheads (01-242 2481)	Carlton Tower, SW1
Apr. 18	Gower: 1980 Employment Bill . . . and After . . . A New Direction for Industrial Relations? (01-242 9485)	Royal Garden Hotel, W8
Apr. 15	CCC: New U.S./UK Double Tax Treaty—its Substance and Implications (01-222 6362)	Hilton Hotel, W1
Apr. 21—23	Institute of International Business Law and Practice: Arbitration and state courts (Paris 225.40.33)	Paris
Apr. 21—23	Oyez: London Insurance Conference (01-242 2481)	Grosvenor House Hotel, W1
Apr. 22	Gower: Trading with Zimbabwe (01-242 9485)	Waldorf Hotel, WC2
Apr. 23	ESC: Solving the Problems of Trade Unions in the Hotel and Catering Industries (057282 2711)	Cumberland Hotel, W1
Apr. 24—June 26	FT: City course (01-236 4382)	Basinghall Street, EC2
Apr. 28—29	FT Conference: World Pulp and Paper (01-236 4382)	Helsinki
Apr. 29	Oyez-IBC: The Measurement of Bulk Liquids at Low Temperatures (01-242 2481)	Waldorf Hotel, WC2

UK NEWS — LABOUR

Bells to offer shares to employees

By Ray Perman, Scottish Correspondent

OFFICIALS of the General and Municipal Workers' Union are to meet Mr. Raymond Miquel, chairman of whisky distillers Arthur Bell and Sons today, to discuss a proposal to issue shares in the company tn employees.

Mr. Douglas Henderson, GMWU Scottish organiser, said the union took strong exception to tbe company announcing the scheme without consultation or negotiation.

"It is a change in the conditions of employment and should be negotiated through the normal machinery. It seems to me the scheme is an attempt to undermine union wage bargaining," he said.

"If the company is genuine in its intention tn extend control, then why does it not include an offer of employee representation nn the Board?"

The scheme was announced tn employees at the end of last month. All workers with more than three years' service will be bought shares by the company np tn a maximum of £500.

They will be held in trust for a period, but employees will be paid the dividends and be able to sell them at the end of this time.

Mr. Miquel said yesterday that the scheme bad been annnunced in a burry befnre the end of the last tax year, althongb it had been discussed with shnp stewards whn were delighted with it.

"We tried to contact officials of the union, but could not do so. The scheme has nothing tn dn with wage-bargaining but is an attempt to increase the benefits to our emplnyees of the high productivity we achieve."

● FLIGHTS STOPPED: British Airways cnncelled 14 outward flights from Heathrow on Saturday and 11 on Sunday because of the continuing overtime ban by ramp engineers and baggage loaders. Both sides in the dispnte over a pay claim have agreed to further talks.

Call for tough line on Civil Service computers

BY PAULINE CLARK, LABOUR STAFF

THE Civil Service's second biggest union will next month seek its members' backing for strong resistance to new technology where computers are used to replace manpower rather than improve services.

The campaign for a tough line on new technology negotiations by the 105,000-strong Society of Civil and Public Servants could lead to more incidences of Government computers lying idle because civil servants refuse to operate them.

The problem has already arisen in Department of Health and Social Security offices and similar difficulties also threaten Department of Employment job placement computers.

The Governments, which has already embarked on a major job-cutting programme with its announcement of 40,000 rednction and indicatoins of more to come, has already experienced some warning of the difficulties ahead with its own unions. The uninns say that with possibly 20 per cent of jobs threatened by computers they can no longer stand by and let new technology take its course.

The Society said yesterday that negotiations between unions and the Civil Service Department were expected to produce a national agreement on new technology this spring. But a draft agreement with thn CSD would be "nowhere near" ready for discussion at the SCPS conference in Portsmouth starting on May 20.

The society's own paper on new technology for conference debate emphasises the exncutive council's view that there must be a national agreement similar to a draft agreement produced by all the Civil Service unions last November.

Their agrement insists that present job levels and working conditions must be fully protected and tbat civil servants benefit from shorter working hours.

It also states that no new technology must be introduced without prior consultation and agreement with the appropriate unions at all levels.

"Specific guarantees" must be agreed nationally, it says, on the use of technology to improve services and working conditions, on the protection of jobs, on retraining, career structures, work measurement and job satisfaction.

The unions are already advising their branches not to reach local agrements because only a natioual agreement can ensure that new technology is introduced alongside alternative job creation scemes.

Thn SCPS paper stresses that it has no fundamental opposition to the introduction of computers.

New technology, it says, can be used "to eliminate much humdrum work, provide beter services and products, provide much greater leisure and reduce unemployment by a shorter working week, more bolidays and earlier retirement."

But the union had to face the fact that "we are dealing wiṭb an employer seeking to reduce Civil Service employment as much as possible and seeking to use new technology to achieve this."

More printworkers back action on pay

BY OUR LABOUR STAFF

THE NATIONAL DISPUTE over print craftsmen's pay intensified this weekend when representatives of 10,000 mebers of the National Graphical Association in the South-West unanimously backed their union's campaign of industrial action.

The decision of the NGA conference in Bristol of 130 delegates representing 17 branches of the union may lead this week to further stoppages on provincial papers and in general print companies.

The Newspaper Society, representing about 300 members owning 1,200 local newspapers, said at the end of last week that since industrial action began more than a fortnight ago there had been 160 instances nf newspapers failing to publish because of the printworkers' campaign of overtime bans and mandatory chapel meetings.

The NGA claims that in addition to selective industrial action 1,000 of its members have stopped work indefinitely and are occupying their workplaces.

Employers represented by the Newspaper Society and the British Printing Industries Federation, say they will stand firm against the NGA demand for an £80-a-week minimum earnings level and a shorter working week from this month.

This follows the union's rejection of a £75 minimum earnings level and a 37½-bour week by 1981 in return for co-operation on introduction of new technology.

Though the union claims that companies employing 20 per cent of its members bave been exempted from action because they bave agreed to an interim pay settlement, the two sides remain deadlocked at national level, with employers planning to toughen their stance against the union this week.

Details of new plans to combat industrial action are expected on Thursday

Troops 'interfere in hospital'

THE Royal Victoria Hospital in Belfast was laking emergency cases only yesterday, as hospital ancillary workers went into their third day of unofficial strike.

National Union of Public Employees members at the hospital nad its sister units say that army security is interfering with the running of the bospital. NUPE staff at five other hospitals have come out in support and are providing only emergency cover. Sbop stewards are to meet today to discuss further action.

NUPE's executive council bas urged members to return to work to allow joint talks to start on the level of military involvement at the bospital.

It said it could not give official backing to the strike because North and West Belfast branches were refusing to accept the presence of the union's Northern Ireland officer in any negotiations about security.

News in brief

● HOURS CUT: Selective short time wnrking starts tnday at the Dorman Diesels workers in Boultham, Lincoln, which some workers claim will cost them np tn £35 a week. The company reeently deelared 200 redundancies among its 500 workforce.

● The Tobacco Wnrkers' Union bas instructed its members to absent themselves from work on May 14 in support nf the TUC's day of action against Government economic, social and industrial relations policies.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. Thn Board meetings are mainly for the purpose of considering dividends and official indications are not always available whethr dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Broadstone Inv. Tst. 128, Cheapside, EC, 2.30
Cornell Dresses, 242, Church Rd., Leyton, E 12.00
Imperial Chemical Industries, Royal Garden Hotel, Kensington High St., W, 11.80
Westwood Dawes, Pedmore House, Ham Lane, Pedmore, Stourbridge, 12.30

BOARD MEETINGS—
Finals:
Automated Security
Bramall (C. D.)
Currys
Edinburgh Investment Trust
England (J. E.)
Hentleigh
Richards (Leicester)
Richards and Wallington
Securities Trust of Scotland
Standard Telephones and Cables
Wood (Arthur)
Interims:
Glaxo
Kent (M. P.)

DIVIDEND & INTEREST PAYMENTS—
Clark (Matthew) 2p
Kershaw (A.) 77.4p, B Prf. (12½pc non Cum.) 4.375pc
Morgan (J. P.) 70cts. IOR's 70cts
Motorola Inc. 35cts
Rank Organisation 5p
SGB 5.1p
St. Andrew Tst. tp. Db. 3.35p
Scottish Cities Inv. Tst. Ord. and A Unit 16p
Status Discount 1.4p
Stenhouse 2.7p
Strathclyde Variable Rate Red. 1082 £7.3594
Webb (Joseph) 0.1313p

TOMORROW

COMPANY MEETINGS—
Concorde Rotaflex, Concorde House, 241, City Rd., EC, 10.00
IMI, Midland Hotel, New St., Birmingham, 12.88
Olives Paper Mill, Charing Cross Hotel, Strand, WC, 12.00
Pentland Inv. Tst., 3, Albyn Place, Edinburgh, 12.00

BOARD MEETINGS—
Finals:
Aberthaw and Bristol Channel Portland Cement
Bank of Scotland
Bowthorpe
Dares Estates
Dorada
Home Charm
Lamont Holdings
London Pavilion
News International
Photax (London)
Ready Mixed Concrete
Rowntree Mackintosh
Rugby Portland Cement
Senior Engineering
Sindall (William)
Standard Chartered Bank
Interims:
Forward Technology Industries
Smiths Industries

DIVIDEND & INTEREST PAYMENTS—
Arbuthnot-Government Secs. Cap. Ptg. Red. Pf. 3.1857p. Inc. Ptg. Red. Pf. 3.1875p
Ayer Hitam Tin Dredging Malaysia Berhad 18.96947p
Bell Canada 41cts
Camden 6pcRed. 1978-88 4½pc
Canadian and Foreign Inv. Tst. Deb. 3¼pc
Commercial Union Assurance SKG Fund Deb. (series A) 23.75cts
Copenhagen 5½pc 28-yr. Eight Centy. Ln. 1087 3¼pc
Country and New Town Properties 8.2p
Debenhams Deb. 2¾pc
Elbief 8.385p
Eldridge Pope Lns. 3½ 3¼pc
English Assoc. of American Bond and Shareholders 4.875p
Fluor Corp. 30cts
Goode Durrant and Murray 3.5pcPf. 1.75pc
Greater London 8¼pc 1980-82 4⅛pc
Hoover Ord. and A 6.39p
Manders 5pcPf. 1.75pc
Metropolitan Water Board Southwark and Vauxhall Water 3pcDeb. 1½pc
Newcastle-upon-Tyne 9¼pcCons.Red. 1981-1083 4⅝pc
Norcros Deb. 7¾pc
Norwest Holst Ln. 3½pc
Occidental Petroleum Corp. Com. Shs. 37½cts
Opperman Deb. 3¾pc
Richards 4pcPfd. 1.4pc
Sandvik A.B. 8½pc Bds. 1986 4¼pc
Schlumberger 33cts
Scottish Agricultural Secs. 7pcDeb. 1580-1083 3½pc
Treasury 5pc 1986-80 2½pc
Warner Estates 10¾pcPf. 5.375pc
Warnford Invs. 4p
Watney Mann and Truman Deb. 3pc
Westminster 13pc Red. 1081 6½pc
Westwood Dawes 1.5p
Whitbread Ln. 5½pc
Wimpey Construction UK Ln. 3pc

WEDNESDAY, APRIL 16

COMPANY MEETINGS—
A.C. Cars, 41, High St., Thames Ditton, Surrey 4.00
British Vita, Midway Hotel, Castleton, Rochdale, 12.00

BOARD MEETINGS—
Finals:
Baird (William)
Barrow Hepburn
Beauford
Berwick Timpo
Burmah Oil
Dewhurst (I. J.)
Downiebrae
Finlan (John)
Hawker Siddeley
Holyrood Rubber
Hongkong (Selangor) Rubber
Kuala Selangor Rubber
Myson
Owen Owen
Parambe
Portals
Provident Life Association of London
Richardsons, Westgarth
Rio Tinto-Zinc
Smith (W. H.)
Tharsis Sulphur and Copper
Wilkins and Mitchell
Interims:
Equity Income Trust
Kalamazoo
Lloread
Martonair International
Sun Life Assurance

DIVIDEND & INTEREST PAYMENTS—
Consolidated Plantations Berhad 7cts
Olives Paper Mill 0.77p

THURSDAY, APRIL 17

COMPANY MEETINGS—
Berisfords, Buglawton Park Recreational Centre, Congleton, Cheshire, 11.00
Blagden and Noakes, Connaught Rooms, Great Queen St., WC, 12.00
Braime (T. F. and J. H.) Ingham St., Hunslet, Leeds, 3.15
Greenfields Leisure, Bishopsgate EC, 12.00
Rolls-Royce Motor, The Churchill Hotel, Portman Sq., 12.00

BOARD MEETINGS—
Finals:
Astbury and Madeley
Bentalls
Brocks
Coral Leisure
De Vere Hotels and Restaurants
East Rand Gold and Uranium
Findlay (Andrew R.)
General Scottish Trust
Higgs and Hill
Jersey Electricity
Leadenhall Sterling
Lec Refrigeration
London and Holyrood Trust
London and Provincial Trust
Martin (Albert)
Northern Engineering Industries
Scottish Mortgage and Trust
Interims:
Casket (S.)
Free State Geduld Mines
Lew (Wm.)
Midland Industries
President Brand Gold Mining
President Steyn Gold Mining
Welkom Gold Mining
Western Holdings

DIVIDEND & INTEREST PAYMENTS—
Anglo American Coal Corp. 60cts
Austin (F.) (Leyton) 0.183p
British American and General Tst. 1.5p
English and New York Tst. 2.5p
Liucroft Kilgour 2.4p
Link House Publications 2.6p
Pentland Inv. Tst. 3.95p
Standard Industrial 1.85p
Union Steel Corp. (of South Africa) 8pc Preferent B 24cts

FRIDAY, APRIL 18

COMPANY MEETINGS—
Alexanders Holdings, Central St., Edinburgh, 12.00
Authority Investments, Cadogan Hotel, 75, Sloane Sq., SW, 11.00
Luniva (Ceylon) Tea and Rubber Estates, 1-4 Great Tower St., EC, 11.00
West Hampshire Water, Knapp Mill, Mill Rd., Christchurch, Hampshire 3.08
Woolworth (F.W.), Connaught Rooms, Gt. Queen St., WC, 11.45

BOARD MEETINGS—
Interims:
British Empire Securities and Gen. Trust
Lowland Investment

DIVIDEND & INTEREST PAYMENTS—
Alliance Tst. Ord. Units 6.35p, 4pcPf. 1.4pc, 4¼pcPf. 1.4875pc, 5pcPf. 1.75pc
Ariel Inds. 1.082p
Berisfords 2.5p
Braime (T. F. and J. H.) Ord. and A 3p
Carrington Viyella 0.4p
Central Assets Cap. 37p
City and Intnl. Tst. 2.79p
Crest Nicholson 2.58838p
Edenderry Shoe 0.975p
Impala Platinum 10.66727p
Law Debenture Corp. Ord. Units 4.5p
Norpsend 1.015p
Nolton 0.6p
Philippines Floating Rate Notes due 1088 US$381.25
Provident Financial 4.25p
Ricardo Consulting Engineers 3p
Riverview Rubber Estates Bhd. M$0.03
Sweden (Kingdom of) Fltg./Fixed Rate Bds. due 1991 US$182.47
Telefusion Ord. and A 0.67p
Wells Fargo 48cts

SATURDAY, APRIL 19

DIVIDEND & INTEREST PAYMENTS—
Movgashel Deb. 3¼pc
Quaker Oats 35cts
Ynys Mon-Isle of Anglesey Variable Rate Red. 1983 £7.50

Building and Civil Engineering

Factory and housing work

THREE CONTRACTS have been secured by Wimpey in the Birmingham area.

For Redditch Development Corporation 15 advance factory units with concrete and steel frames, plus car parks and external works, are to be started in early May and should be completed in about one year. The contract is valned at £1.4m.

Under a second contract, valued at abont £1.8m and also for Redditch Development Corporation, 27 advance factory units, some brick and some concrete and steel framed, plus car parks and external works, bave just been started and should be completed in about one year while the third contract valned at £235,000 covers remedial work on three multi-storey hlocks of flats in Eve Hill, Dudley for Dudley Metropolitan Borough Cooncil.

Down in the south, at Edenbridge, Kent, Wimpey has won two contracts from tha GLC bousing department for remedial works to 646 dwellings.

These contracts are jointly valued at about £2.4m and tha work involves genaral repairs and the overbaul of fabric and services. Ona contract at Spittals Cross Estate, Edenbridge, has started and includes 359 two-storey and semi-detached houses, two six-storey blncks of 24 flats, one separate flat and 57 garages, and is due for completion in March, 1981.

The nther contract, at Stangrove Park Estate, comprises 238 two storey semi-detached and terraced houses and 90 garages.

Wimpay says that the project brings the total of modernisation contracts eotered into by Wimpey in the Manchester area since the start of 1980 to 560 dwellings at a total valne nf over £4.2m. Of these 218 are for Manchester Corporation and 160 for Salford Corporation.

Under a contract valued at £1.65m Wimpey Canada is to build trunk sewers in Sherwood Park, Edmonton, Alberta, for the County of Strathcona.

Wnrk bas begun and is expected to be completed in about 22 weeks.

£8½m contracts for Willett

FOUR NEW contracts together worth £8.5m bave been awarded to Willett (UK Building Dlvision, Trafalgar House Group).

Two of the contracts, for Beecbams, are worth together nver £4m. The major job, in Brentford, Middlesex is the construction of a six storey office block to be linked by two bridges with the company's existing beadquarters bnilding. Valued at £3.8m the offices with car parking facilities are scbeduled for completion in just under two years.

In Rugby, Willett is carrying out tha preliminary works for a proposed new factory building at a cost of £198,000 wbile further north in St. Helens, Lancs the company has beeo awarded a £3.9m contract by Trafalgar House Developments for work at the central area site known as the brewery site. This shopping development will provide 100,000 sq ft of net retail apace arranged as five retail stores and eight retail units. Immediately above the sbop level will be 180 car parking spaces linked by two passenger lifts as well as staircases to the covered mall below.

In Hersham, Surrey, Willett has started on a factory and office extension to Cementation Muffelite's premises. Valued at nearly £½m the work includes erection of a single storey steel portal framed building and an annexe to be linked in with existing first floor factory space for conversion into offices.

£3m civic offices in Halifax

NEW CIVIC offices at Halifax, Ynrks, are to ba built by Mowlem under a £3m contract.

Awarded by Calderdale Metropolitan Borough Council, the contract is for a five-storey building at the junctinn of Northgata and Wade Street, near the Town Hall. Work has started.

With a gross floor area of 88,820 sq ft, the building, when occupled in 1982, will house six council departments: architects, engineers, town planning, housing, edncation and environmental bealth.

Construction will be of precast concrete frame and floors, with cladding mainly of storey-beight pre-cast concrete units faced in Ashlar stone; there will be a coarsa stona finish to the rear ground floor with a mansard roof finished in blue slates.

£16m retail store

UNDER A £1.6m contract awarded by Hillards of Cleckhaaton, W. Yorks, Bovis is to build a "superstore" with a gross area of 39,590 square feet at Idle near Bradford. There will also be parking space for 250 vehicles, access roads and landscaping. Work on the contract bas started with completion scbeduled for tha end of February 1981.

The store will be a steel-framed structure on stanchion bases with ground bearing floor slab and a first floor will be built over the food preparation area for office and staff facilities. Externally the brick-clad building will bave a high level tiled fascia giving the appearance of a mansard roof, and the roof will be a pre-finished metal deck with felt and cbippings.

Tbe architects are Witham and Cox of Sbeffield, and the quantity surveyors are J. J. Milner of Castleford, West Yorkshire. This is the second "superstore" that Bovis has huilt for Hillards. The first was at Mickleover, Derbyshire, wblcb was completed early last year under a £1m plus contract.

Agriculture in Malaysia

IN ASSOCIATION with Sir M. MacDonald and Partners of Cambridge and Booker Agriculture International, Jurutera Konsultant of Kuala Lumpur have been appointed consultants by the Malaysian Ministry of Agriculture for a major project designed to intensify irrigated agriculture in 49 scbemes scattered throughout the states of Kedah and Perlis in north-west Peninsular Malaysia.

Thesa schemes are administered by the Drainage and Irrigation Department and the proposed development is a follow-up of tha Kedah-Perlis Development Study, completed in 1978. The 49 schemes now under study cover 36,500 acres.

Phase 1 of the Kedah and Perlis project, which has recently been started, covers project planning and feasibility studies for all the 49 schemes, followed by selection of preferred schemes for davelopment. Phase 2, comprising detailed design and construction of selected schemes, is to follow directly on from Phase 1 in October.

The consultants expect the total cost will be about £7m.

Building blocks from slag

A LIGHTWEIGHT aggregate fnr the construction industry is being introduced in the UK by Tarmac and the British Steel Corporation in partnership.

Production of Pellite—pelletised expanded blast furnace slag for use in the mannture of building blocks and all forms of structural concreta, insulating screeds and fills, and refractory concrete—is planned to start this summer.

It will be produced by Teesside Slag and latar by Scuntborpe Slag, owned jointly by Tarmac Roadstone (Northern) and BSC, at BSC plants at Redcar and Scunthorpe. Marketing will be the responsibility nf Tarmac Roadstone (Northern).

Pellite is manufactured by passing a controlled flow of molten slag over a rotating bladed drum to break up the slag. It is then expanded by water and the resulting particles are propelled through the air and water sprays to cool the surface and form smooth glassy pellets for processing into three grades, coarse, fine and a combined all-in grading.

The techniqne for manufacturing pelletised slag has been in use for 10 years in Canada, where it was developed.

More information can be obtained from Tarmac Pellite, John Hadfield House, Dale Road, Matlock, Derbyshire (0629 3456).

Breathing under water

LATEST publication from the Underwater Engineering Group (Construction Industry Research and Information Association) is an 8-page report "Considerations for oxygen-nitrogen saturation diving operations."

Summarising, the report points out that long duration dives are frequently required in depths from 20-50 metres of sea water (msw), bnt at these depths indefinite breathing of air is not feasible and the use of oxy-helium mixtures, standard at greater depths, may not be desirable for reasons of logistics and costs.

Tha advantages of and constraints upon diving using oxygen-nitrogen breathing mixtures, and specifically air, for such dives are discussed and air is thought to be a more suitable breathing gas than synthetic oxygen-nitrogen mixtures, which, like oxy-helium mixtures, are likaly to cause logistic difficulties, especially in remote locations.

Underwater clear-up

A CONTRACT for the location and removal of subsea wellheads on the Viking Field for which Conoco is the operator has gone to Oceaneering International Services.

It will involve the removal of up to 10 buried and protruding wellbeads in water depths of up to 36 metres and will be carried ont over a 40-day period. Oceaneering will be responsible for hydrographic survey services, explosives consultancy and the procurement of subsea demolition charges.

Awards to Henry Boot

TWO OF the latest contracts awarded to Henry Boot are the third phase of the Southergate development in High Street, Dumfries, Scotland, and tha construction of a refuse transfer station in Wakefield, Yorks.

Tha current stage of work in Dumfries covers the erection of a supermarket, a 3-storey car park and an access and service road. Value of this contract is £1.4m. The contract is being carried out for Greenhale Developments. Architects are Maurice R. Day and Associates.

Value of the Wakefield contract is over £1m. This award calls for a 40 by 28 by 11 metres high building on bored pile foundations, an electricity sub-station, weighbridge and roads.

Renovating an ice rink

REPLACEMENT of the 18-year-nld ice floor and renovations to the Silver Blades ice rink in Streatham, South London, under a £625,000 contract awarded to John Laing Construction is expected to be completed by September.

The floor will be removed and 1,700 cu yds of soil excavated. A new piled substructure will carry stud walls supporting a suspended concrete floor to bear brine pipes, screeding and the ice floor. Tha cavity beneath the suspended floor will be ventilated to allow the dispersal of cold air.

Repairs and alterations to the building, constructed in the 1920's, will inclnde painting and decorating, provision of additional seating, new fittings and wood surrounds. The architect is Brian D. Kett.

Composite cladding

A LIGHTWEIGHT, aluminium-polyethylene composite cladding panel has been introduced by Teal Claddings of Telford, Shropshire.

Called Telacor, the cladding is as suitable for road tunnel linings as it is for curtain walling, says the company. It is produced in eight standard stove lacquered factory-applied colours, with other colours provided to specification.

Panel sizes range up to a maximum of 8,000mm by 1,500mm and four thicknesses are available—3mm, 4mm, 6mm and 8mm.

Being a composite material, Telacor is extremely rigid and has high resistance to bending, buckling and breakage. It can be shaped using standard metal or plastics working tools.

IN BRIEF

- David Evans, chairman and managing director of the Wickens building Group has been installed as president of tha West Surrey branch of the National Federation of Building Trades Employers.
- A £217,000 order has been awarded to Graham Wood Structural (Amsteel Group) for steelwork for the Arab potash project in Jordan.
- The Prefabricated Aluminium Scaffolding Manufacturers Association has published its own Code of Practice relating to prefabricated aluminium alloy scaffold towers.

CONTRACTS AND TENDERS

DEMOCRATIC REPUBLIC OF THE SUDAN

PUBLIC ELECTRICITY AND WATER CORPORATION POWER III PROJECT

KHARTOUM NORTH POWER STATION

The Government of Sudan expects to receive a grant from the Overseas Development Administration of the United Kingdom to assist in financing the Power III Project. The project includes the building of the power station at Khartoum North for 2 x 30MW Turbo-alternators, steam raising units and all associated ancillary plant. The Government expects to apply parts of the grant to the supply, erection and commissioning of the following:—

1. Mechanical and Electrical Parts.

Turbo Alternator Contract.
2 x 30MW turbo-alternators at steam conditions 62 bar g. and 482°C including condensing and feedheating plant, turbine house crane and all ancillary equipment, instrumentation and controls.

Boiler Contract.
2 outdoor steam raising units suitable for above turbo-alternators, including fuel storage/handling and all ancillary equipment instrumentation and controls.

Cooling Water Contract.
Screens, pumps, clarification tanks, cooling towers, if necessary, and associated plant and instrumentation and controls.

HV Switchgear Contract.
3.3, 6.6 and 11.6kV switchgear, HV transformers, cabling and all ancillary equipment.

LV Switchgear Contract.
415V switchgear, LV transformers, small power and lighting cabling and all ancillary equipment.

2. Civil Part.
Piling, foundations for plant, powerhouse and ancillary buildings, structures, roads, cooling water suction and outfall pipework, civil work for tank yards, pumphouse, cooling towers, pipe and cable trenches, domestic water supply, drainage and sewerage.

Potential manufacturers, suppliers and contractors who wishes to participate in bidding for the above works, and who are UK-based firms with a majority shareholding held by citizens of the UK, are asked to apply in writing to be placed on the list of eligible bidders to receive notification of teh availability of bid documents. Such firms must give details of proven prior experience in the manufacture and/or construction of such projects together with proof of UK-status, and should also state whether they wish to be considered as bidders for separate contracts within the project or as the leader of a consortium bidding for the whole works on a turn-key basis, or both. With respect to civil work contracts, UK-based civil engineering contractors shall indicate whether they wish to angage Sudanese firms as sub-contractors for any of the works, giving details of such firms as applicable.

Applications should be addressed by airmail to arrive not later than three weeks after appearance of this notice simultaneously to:

The General Manager,
Public Electricity and Water Corporation,
Attn. of Power III Project Manager,
P.O. Box: 1380, KHARTOUM,
Democratic Republic of the Sudan.

Ewbank and Partners Ltd.,
Consulting Engineers,
Prudential House, North Street,
Brighton BN1 1RW,
UNITED KINGDOM.

Republic of the Philippines

NATIONAL POWER CORPORATION

Manila

INVITATION FOR BIDS

SEALED BIDS in quadruplicate, plainly marked BID FOR (indicate appropriete Lot/s and Schedule/s covered by Bid to be submitted):

LOT B: FURNISHING AND DELIVERING F.O.B. PORT OF SHIPMENT UNIT TRANSFORMERS AND SWITCH-YARD AUTO-TRANSFORMER (In Two Schedules)
LOT C: FURNISHING, FABRICATING AND DELIVERING F.O.B. PORT OF SHIPMENT PENSTOCKS
LOT D: FURNISHING AND DELIVERING F.O.B. PORT OF SHIPMENT RADIAL GATES, STOPLOGS, TRASH-RACKS, FIXED-WHEEL GATES AND DRAFT TUBE GATES (In Four Schedules)
LOT E: FURNISHING AND DELIVERING F.O.B. PORT OF SHIPMENT OVERHEAD TRAVELLING CRANES AND GANTRY CRANE (In Three Schedules)
LOT G: FURNISHING AND DELIVERING F.O.B. PORT OF SHIPMENT MISCELLANEOUS STATIONARY MECHANICAL EQUIPMENT (In Four Schedules)

for the MARAMAG (PULANGI IV) HYDROELECTRIC PROJECT, BUKIDNON, MINDANAO, PHILIPPINES, will be received at the Office of Nationel Power Corporation, Executive Room, 13th floor, NPC Building, Anda Circle, Port Area, Menila, Philippines, until 10.00 am on June 20, 1980, and then publicly opened.

A bidder may bid on one or more Lots and Schedules. However, each Schedule will be treated as a separate bid and separate eward of contract will be made for each Schedule. Discounts for combination of Lots end/or Schedules will not be ellowed.

Bid Documents, including Confidential Statement for Determining Bidder's Responsibility Form, ere evalleble for issue at the Netional Power Corporation, 7th floor, NPC Building, Ande Circle, Port Area, Manila, Philippines, starting Merch 20, 1980. Prospective Bidders will be issued bid documents upon application and payment of:

Lot B—Three Hundred Fifty Pesos	(P350.00)	per set
Lot C—Two Hundred Pesos	(P200.00)	per set
Lot D—Four Hundred Fifty Pesos	(P450.00)	per set
Lot E—Three Hundred Fifty Pesos	(P350.00)	per set
Lot G—Four Hundred Pesos	(P400.00)	per set

which will not be refunded.

For the information and guidance of those concerned, the Netional Power Corporation has entered into en agreement with the Asian Development Benk for e loan in various currencies toward the cost of the Mindanao Power Project. It is intended thet e portion of the proceeds of this loan shall be applied to payments of foreign currency cost under the contract/s for which this invitation for bids is issued. Procurement under such contract/s is, however, limited to procurement in member countries of the Asien Development Bank of goods end services in such member countries end bid of e perty who is e nationel of a country outside thereof will not be considered for eward of contract. Payments by the Asian Development Benk will be mede only upon approval of the Asian Development Bank of an epplication presented by the Netional Power Corporation in accordance with the terms and conditions of the Loan Agreement and will be subject in all respects to the terms end condidons of the Agreement.

Bids must be accompanied by e proposal bond in the form of cash or certificate of fixed deposits issued by e reputable banking institution or an eccepted benk draft against any local bank issued by e duly licensed and authorized domestic bonding company in favour of the National Power Corporation or en eppropriate guarantee by a foreign banking institution, acceptable to the Nationel Power Corporadon, in the currency of the bidder's country or in Phillppine pesos, in en emount equal to two per cent (2%) of the Total Bid Price of each Lot/Schedule.

Bids must also be eccompanied by four (4) copies of the Bidder's Confidential Statement in the forms furnished, duly eccomplished and complete with all supporting documents required.

Bidders are requested to be present at the time end dete above stated, when the bids will be opened.

The right is reserved, as the interest of the Corporation may require, to reject any or all bids, to waive eny minor informelity in the bids received, and to eccept such bid which is the most advantageous to the Nationel Power Corporation.

Addidonel informetion may be furnished upon request. Address ell communications to:

The Sr. Vice-President
Netional Power Corporation
P.O. Box 2123
Anda Cirtle, Port Area, Menila, Phillppines
Cable: NAPOCOR, Manlla Telex: 7420120 NAPOCOR

J. U. JOVELIANOS
Sr. Vice-President

هكذا من الداخل

SYRIAN ARAB REPUBLIC

Committee For The Completion of The Teshreen University Buildings Project
Latakia, Baghdad St., Engineers Order Bldg. 3rd Fl. No. 1496

NOTICE

CALL FOR TENDERS "FOREIGN"

The Committee for the Completion of the Teshreen University, formed by decision of Mr. The President of the Syrian Arab Republic, No. 5 dated 11.2.1980, hereby invites price offers for the construction and the equipping of the Teshreen University Hospital and its Medical Research Centre, both delivered ready for exploitation as a "TURN KEY PROJECT."

The time delay for the completion of the complete Works shall be (1000) One Thousand Days starting as from the date set forth in the commencement order.

The Project Documents File comprising Instructions to Tenderers, Specific Conditions, General Data and Main Instructions to Tenderers for the Redesigning and Completion of the Hospital and Specifications, Bills of Quantities, and Relevant Drawings, may be examined at the offices of the Committee Secretariat—3rd Floor, Engineers Order Building at Latakia, where also a copy thareof may be obtained at a price of (LS 5000.00) Five Thousand Syrian Pounds.

Offers shall be submitted to and registered with the Committee Secretariat by the latest at 14.30 Hnurs on Tuesday the 10th of Juna 1980. Offers shall be drawn np according to the form and conditions providad for in the Instructions to Tenderers, and sball be accompanied by a provisional guarantee deposit eqnal to (2%) Two Percent of the nffered price.

Dated at Latakia on the 1st of April, 1980.

Authorised Member
COMMITTEE FOR THE COMPLETION OF THE TESHREEN UNIVERSITY BLDGS. PROJECT
The MDHAFEZ (Governor) of Latakia
MOUNEER BAREEKHAAN.

COMPANY NOTICES

GOLD FIELDS GROUP
VLAKFONTEIN GOLD MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

As less than one-fourth of the total votes of all the members entitled to attend the annuel general meetiog held on 11 April 1980, and to vote thereat, were present or represented at the meeting for the purpose of passing a special resolution reducing the authorised and issued capital of the company, the meeting stands adjourned, in terms of section 189(2) of the Companies Act, 1973, to Friday, 18 April 1980, at 10h30. The adjourned meeting will be held in Gold Fields Building, 75 Fox Street, Johannesburg.

GOLD FIELDS OF SOUTH AFRICA LIMITED,
Secretaries,
per G. V. Wattrus.

11 April 1980

LEGAL NOTICES

IN THE MATTER OF
DORSET LITHO LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 13th day of May, 1980, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Maurice Raymond Oorrington of Messrs Poppleton & Appleby, 4 Charterhouse Square, London EC1M 6EN, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 1st day of April 1980.

M. R. OORRINGTON,
P. MONJACK,
Liquidators.

THE COMPANIES ACTS 1948 TO 1967

SULKIN & FALK LIMITED

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 14th day of May 1980, to send their names and addresses and the particulars of their debts or claims, and the names and addresses of their Solicitors if any, to Keith David Goodman, FCA, of 3/4 Bentinck Street, London W1A 3BA, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are by their Solicitors, or personally, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 2nd day of April 1980.

K. D. GOODMAN, Liquidator.

TRAVEL

GENEVA, Bâle, Zurich and Berne, widest choice of cheap flight from 4 UK airports. Brochure FALCON 01-351 2191.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Indesit feels a cold blast of competition

A major Italian goods manufacturer is having to broaden its base. Jason Crisp reports

"OUR experiences over the past few years have been ones of terror for us. We have seen the cost of raw materials go np and up and the cost of lsbour go up and up white productivity has been going down."

The speaker, surprisingly, is Armando Campione, chairman and founder of Indesit, Italy's second largest manufacturer of white goods, with a turnover of £150m. Surprising, because Indesit nsually manages to alarm most British and European manufacturers with its remarkably and consistently low priced products.

It is a little hard to imagine that anything would actually daunt Campione. He gives every impression of being a decidedly tough industrialist, both in the way he talks and in how he looks. A well built and fit looking man of 66, he has large steely blue eyes which fix on you like searchlights.

Bnt his company has heen shaken by the events of the late Seventies, including the growing number of cheap imports from Eastern Europe; it is now changing direction in a number of fundamental ways.

First it is moving upmarket, which means it will he competing head on with its European rivals. Until recently Indesit, for the most part, confined itself to its own niche at the hottom end of the market Second It is increasing its diversification It bas already moved beyood white goods—fridges, freezers, washing machines, tumhledriers and dishwashers—into televialons and portahle radios. It has now gone s step further by moving into small domestic appliances like hairdriers and coffee grinders.

Third it is shortly to begin manufacturing outside of Italy. A new plant in New York State is expected to hegin production of refrigerators for the U.S. market later this year and in the Central American country of Costa Rica it is to manufacture small domestic appliances and components, for the European market.

Indesit is not of course the only European white goods manufacturer to have faced problems in the last few years. Overcapacity among all manufacturers, together with fairly well saturated European markets, has resulted In fierce competition in a sector which is always particularly sensitive to economic fluctuations.

More distant exports markets are limited in their potential because of the cost of transporting what are essentially large white boxes around the world. Conversely Europe bas seen little penetration from the Far East or the U.S., although increasingly Eastern European products are making inroads at the bottom end of the market.

Indesit, wbich ia still prlvately owned, was founded by Campione in 1956 and he still bolds a 60 per cent stake. At the moment the company employs 13,000, about a third as msny as Zanussi, Italy's largest white goods manufscturer. Campione has stepped back from the day to day running of the company: it is now managed hy Piergiovanni Bianco who has been Campione's right hand man since the company was founded. Campione himself spends much of his time in the U.S.

Ironically it was America whlch provided the inspiration for Indesit in the first place. Campione worked for his family company which made accessories and components for the motor Industry. Under the auspices of the Marshal Plan for the reronstruction of Europe, he toured America looking at the major car plants of General Motors and Ford. He made two discoveries: first that a great number of American homes had refrigerators, and second that they were largely being mass produced hy the car manufacturers.

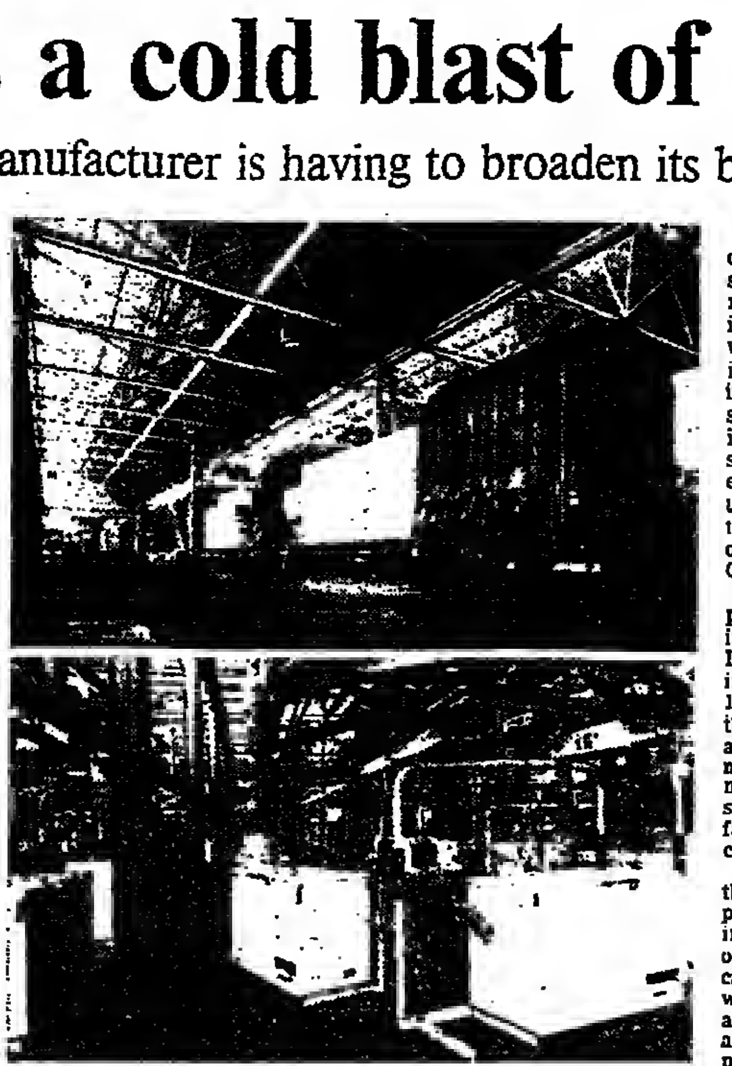
At the time refrigerators were a luxury in Itely. Indesit began manufacturing a low cost product for the mass market In 1956 in s factory at Orbassano, about 12 miles outside Turin and at a fairly modest rate of 100 s day. With its close connections with the motor industry Indesit has always relied on the economies of scale to he found with mass production and it has Invested heavily in large plant capable of turning out great numbers of units.

Although Indesit's turnover grew fairly slowly in its first ten yesrs of existence, it began to Increase rapidly after 1967 as exports took off, particulsrly to Europe. By 1974 Indesit was exportlng 1.5m units; after the oil crisis this has only been malched again in 1976, since when the production of white goods has fallen by about 10 per cent a year, although income has increased.

Indesit makes only ooe basic product in each of its 15 factories. In 1960 two new factories were built at None, just outside Turin, to manufacture washing machines and spin-driers. The site at None was developed rapidly through the Sixties: its factory space covers 2.5m square feet and includes an enormous warehouse of over ½m square feet, through which trains run to be loaded. From this warehouse Indesit supplies Northern Italy and all its export markets.

As part of its impressive distrihution system, it owns and leases trains. It claims it costs less than £4 to transport an item like a wshing machine to the UK.

Restricted from expanding further in the North of Italy and tempted South hy generous government assistance, Indesit opened ita first Southern factories in 1972 at Teverola outside Naples. The first two were built to make refrigerators and washing machines. At present there are seven factories in the South covering 5½m sq ft—double the size of the Northern ones—and there is room to expand them by half as much again.



Train being loaded with white goods at Indesit's giant Turin warehouse (top) and a highly automated freezer factory, built in 1972, outside Naples.

These highly automated works in the South employ markedly fewer people than the still impressive factories near Turin.

In addition to its diversification through the white goods sector into televisions, radios and more lately small domestic appliances the rompany has extended itself vertically with several of its factories producing most of its needs in components. For washing machines, for instance, it makes 95 per cent of the electrical parts and just over 80 per cent of other parts. And it has hegun selling refrigerator and freezer compressors to other manufacturers.

Since 1976 Indesit has on its own admission, faced considersble pressures. In sdditioo to rising nraw material costs and increasing labour costs—Italian wages rise every three months in line with the cost of living index on the *scala mobile* system—Indesit has seen a fall in productivity becsuse of shorter working hours and easier working conditions. "The unions don't want people to lose their health through the stress of working too hard," says Campione with some contempt.

Ahsenteeism, a common phenomenon in the white goods industry, is also a prohlem for Iodesit. The average, according to Compione, is running at 15 per cent, but at certain times it can reach nearly 20 per cent, according to one of his factory managers in the south. Here, many of the workers also have small-holdings, and disruptive farming prohlems can occur at certain times of the season.

Indesit's initial response to these pressures was to increase prices. But this only resulted in consumer resistance, a loss of market share and overcapacity. Though the company went on to a three-day week for a period Campione reverted to a hroad policy: "Increase the prices less and produce the most we can. It is hetter to have a smaller profit or no profit than cut production."

Whst Indesit's profit might be is not clear: not only hecause of the vagaries of Italian accounts but hecause Indesit Is two separate companles, one In Italy and one in Switzerland. The Italian owned one is responsihle for the manufacture and sales In Italy while the Swiss owned company is responsible for the marketing and distribution of goods outside Italy.

There is only a contractual relationship hetweeo the two. In some countries Indesit sells certain goods not made hy the Itslian company.

But this could only be a short-term policy. Indesit has increasingly had to face up to the fsct that it will never be as low cost a producer as it has been in the past. The very cheap end of the market is slowly but increasingly heing filled by Eastero European countries. At the same time the demsnd in Europe for very basic products is apparently flagging as consumers seek quieter and more sophisticated products.

With markets unlikely to expand at anything like the rate they hsve in the past, the management has decided it needs higher added value goods to sell. Hence its decision both to move upmarket and to dlversify into small domestic appliances—though this is a highly competitive market if ever there was one.

Having thrived for so long at the hottom end of the market the company is more than aware that it faces an uphill task of improving its image to overcome the resistance of consumers, and even more important, that of the dealer to paying a higher price for its products.

But it is already producing more sophisticated machines, such as its new dishwasher which sells at £290 compared with its hasic model at £170. Indesit claims its new casher is quieter than German products which have long sold at a premium because of their reputation for quietness.

Indesit has also developed an electronically controlled washing machine with an extraordioary number of programmes and possihle variations of temperature and spin speeds, hut it is reluctant to pioneer the market for this sort of product.

In Britaio, as well as launching new products, the company is spending £1.5m this year on advertising, the first time it hss gone to any major expense. (The ads still emphasise Indesit's value for money products with a "Down to Earth" sligsn, which for connoisseurs of admen's in-jokes is a dig at Zanussi's spsce age "Appliance of Scieoce" sdvertising.)

The new factory being built in New York State—where as Campione notes, union power is low and productivity high—will produce refrigerators from a factory of 54,000 sq ft built on a site ten times that size.

The reason? "It was impossible to compete in the U.S. against countries like Mexico, Korea and others in the Fast East. Up to 30 per cent of our cosls in the U.S. were represented by transport."

In Costa Rica, Indesit is building a factory to make small domestic appliances like radios which will be exported to Europe. The company says the attraction is that labour rates there are broadly similar to those in South East Asia. "One hour for an Italian worker huys a whole day's labour there." Production is expected to start in 1981.

Indesit's change in direction is clearly going to take several years to complete, not least hecause of the length of time needed to alter its market image.

Campione displays a considerahle pessimism about Italian and European industry as a whole. But he remains very determined about Indesit's future: "We're optimistic hecause we must he," he says with force. As always, Indesit's rivals are likely to watch its progress uneasily. But the question remains: has it left the change of course too lste?

EXECUTIVE HEALTH

BY DR. DAVID CARRICK

If you get the jitter bug

A READER recently wrote to me describing himself unflatteringly as a "moderately decrepit market-gardener of 61." Yet he wrote In a lively way, recounting in amusing fashion a tale about an affliction, and including a message of valne to people who fall prey to needlesa worry.

It seems that, several years ago, he began to develop shakiness of the hands. This was particularly pronounced when he was physically tired or emotiooally disturhed. The latter state was mnch encouraged hy those Inevitable "friends" who are so ready with their tales of gloom and doom.

"Parkinson's disease," the knowing Jeremiahs muttered, "poor old soul!" They would try to pretend to Ignore spilled whisky and dropped glasses, thereby making their ohservations even more obvious. His more jovial acquaintances merely sniggered a hit and pulled his leg ahout "too much elhow-tilting" plus advice to "add a hit more water, old chap," and other fatuous and cynical solecisms.

After much worry, he visited his GP, who referred him to s neurological speclalist. Carefully examined, he was thoroughly reassured that he was not suffering from Parkinsonism or aoy of the other serious (but rare) diseases likely to produce tremor. No, he merely had "henign, familial, essential tremor of idiopathic orlgin"—which, being interpreted means a tremor of unknown cause which tends to he hereditary.

. . . too much elbow tilting . . .

Parkinsonism Is a far more debilitating complaint. There are three main forms: the original *paralysis agitans*, as first described hy the English physician, James Parkinson, io 1817; that associated with general arterial disease: and a type induced hy certain psycho-correctlve drugs, a condition which soon disappears when the medicament responsihle is withdrawn.

Paralysis agitans usually appears betweeo the ages of 40 to 60. The ooset Is insidious aod the sufferer usually first realises that he has a problem when dressing becomes more difficult aod acllvities—such as golf—become a burden through loss of dexterity. Clumsiness slowly increases sod a very notable tremor of the fingers interferes with fioe work. This tremor is most evident In the index fingers aod rhumhs, which often develop a rhythmical action which has been described as "pill-rolling."

Geoeralised tremor follows, accompanied hy siffness of movements, a forward hending of the hody a trotting snd somewhat uncontrollahle gait, some speech difficulties plus slowness of mastication, and fixing of the facial muscles in a mask-like manner. Advanced cases cannot help drihbliog and all movements are very slow and consciously difficult. Sudden command may abolish the tremors momentarily; and all signs disappear in sleep. Usually there is no mental change except for a frustrating restlessness and sometimes depression loduced by the despair of a being hecoming Inescapably incarcerated by his own organism.

Many treatments have beeo employed, with varying results. A few years ago there was a vogue for surgical intervention either through the lotroduction of electrodes which coagulated those parts of the hralo that were responsihle, or hy the freezing or cryo-surgical technique, which was somewhat safer. But although there were dramatic successes, equally dramatic failures were hy no means uncommon. In recent years, however, a oumber of valuahle drugs have heen developed. These, when handled with great care and attention hy experts, have proved of enormous henefit to many sufferers.

Treatment for the secood type of Parkinsonism is similar, although hecause of the general state of the patient's arterial system, even greater care must he taken. But In either type, both diagnosis and treatment must he left to those with grest expertise in the phenomenon.

Fortunately my "decrepit market - gardener," was reassured, once he had plucked up courage to seek aid from other than dismal Idiots. One reasoo he had in writing to me was to urge others to seek advice early, as ignorance can lead to serious metntal suffering.

Several treatmeots are availahle for his henign tremor, one of which, curiously enough, is alcohol. This produces only temporary remission. It is superfluous to polnt out the risks in such a treatment, as constant success might well lead to a different sort of tremor, plus the other horrors of so expensive a poison. Otherwise, the use of transquillisers generally taken during emotlonal crisis is beneficial and not addlctive in the true sense of the word.

LOMBARD

How to stabilise employment

BY SAMUEL BRITTAN

IN a feature article on January 14, I tried to revive the old idea of a payroll regulator as a built-in device to help stabilise employment.

In the form in which I tried to revive the regulator, it would be divorced from any preordained employment target. When unemployment was above its trend level, employers' contributions would be reduced; when it was above that level they would be increased. The charges would be determined by a formula designed to make the scheme self-balancing over a four or five year period; and thus compatible with plans to reduce public sector borrowing to specified levels over the economic cycle as a whole of the kind which appeared in the Budget.

I have subsequently received a fascinating critique from Professor James Meade, the author of the original payroll regulator in the 1944 White Paper. Professor Meade would prefer variations in the employees' as well as the employers' contributions, because the former would have a quicker effect on demand. The question is whether it is more helpful to act on the demand or on the cost side in the short term; and there may be a case for a bit of each.

Regulator

But Professor Meade makes a much more fundamental criticism: this is that the regulator should not be tied to unemployment at all. In an argument analogous to one of Friedman's, he demonstrates that the only reasonable target for demand management is total money expenditure. If this is stabilised, full employment depends on wages moving to market-clearing levels. This is a striking change of emphasis for an economist who worked very closely with Keynes. As he rather charmingly remarks: "I have erred from the neo-Keynesian fold," but "not perhaps from JMK himself — but who can say what that versatile man would now be saying?"

Professor Meade differs from Friedman in that he would have a target not just for the money supply itself, but total money expenditure or money times velocity. This would be represented statistically by the money national product — or better still in his view total wage earnings, for which approximate figures are available quickly. They should, according to his target, grow by 5 per cent per annum in the long run (the transition from where we are now is a separate question).

This leads him to an interesting point. Assume that for some reason wages per head start rising by 10 per cent—and one can think of lots of things that would trigger off an initial wage push. Suppose then that employment fell by 2 per cent and total earnings rose by 8 per cent. This could happen with strict monetary guidelines if there is any temporary give in velocity.

The monetary rule itself suggests no further action. A payroll regulator geared to unemployment suggests a reduction of contributions and thus a temporary increase of the public sector deficit. But Professor Meade's 5 per cent target for MV, or money earnings, would suggest that National Insurance contributions should be *raised* not lowered, and the public sector deficit reduced. The safety valve of a temporary increase in velocity to cushion employment in face of wage push, implicit in the present Government's policy, would be foreclosed.

It is only fair to point out that this out-Friedmaning of Friedman is advocated by Professor Meade on the assumption that there is a parallel reform of wage-fixing institutions to prevent workers being priced out of jobs. Professor Meade has suggested various institutional devices; they all have in common the criterion that wage-bargains likely to lead to unemployment (at present the vast majority) would be disallowed, or heavily discouraged by the withdrawal of union legal immunities. This is so different from conventional incomes policy as to make it a different animal.

The real question is whether it is possible to establish official institutions which would simulate a competitive labour market.

How a governing body deals with its own members

THE WEEK IN THE COURTS

BY JUSTINIAN

THE distinguishing feature of a profession over all other occupations is the power of its governing body to discipline its own members, even in the extreme case of debarring an offending member from practising his chosen profession. Mostly the hearings of disciplinary tribunals of the various professions are held in private, mainly because the individual does not desire to have his case exposed to public gaze.

Last week provided the exception. A disciplinary committee of the Senate of the Inns of Court, under the chairmanship of Mr. Justice Parker, heard complaints made by a circuit judge in Birmingham and by the leader of the Midland circuit, Mr. P. A. Cox, QC, against a West Indian barrister, Mr. Rudy Narayan, who has distinguished himself as the advocate of all his overseas colleagues in their struggle to combat a perceived discrimination within the legal profession.

At his request and on the direction of the chairman, Gray's Inn was thronged by Mr. Narayan's supporters who had been girded to audience participation by widespread Press publicity. In the event the dismissal of one set of charges involving Mr. Narayan's accusations at Birmingham solicitors of racial discrimination in the briefing of barristers, and his conviction of discourtesy to the circuit judge prompt some comment of how the law deals with its own.

The disciplinary powers over barristers rest with the four Inns of Court which exclusively admit persons to practice at the Bar. But for some years now the Inns, in one of their rare bouts of co-operative action, have delegated the function of dealing with the discipline of the profession to the Senate of the four Inns of Court.

Complaints of professional misconduct or of conduct unbecoming a barrister are received and initially considered by the Senate's complaints committee. Only if that committee considers that charges ought to be preferred against the barrister is the matter then heard before the disciplinary committee. This is normally chaired by a High Court judge, the tribunal consisting of not more than even and not less than five members of the Senate.

No one outside the profession is part of the adjudicatory process. So far as professional misconduct is levelled at the barrister, only a fellow professional is suited to judge. But on the question whether a conduct is unbecoming to a barrister or not, the layman might justifiably have a viewpoint that should influence the disciplinary findings. So far the profession has resisted any lay element in its disciplinary body.

The absence of the lay element may have had something to do with the findings in the case of Mr. Narayan. On September 25, 1978, he wrote a letter to the President of the Birmingham Law Society instancing (without details) two complaints from Mr. Narayan's clients in Winson Green Prison that their solicitors were refusing to accept the clients' instructions that Mr. Narayan should be briefed. The letter added that Mr. Narayan was preparing a file on firms of solicitors who discriminate against members of the Bar, "such discrimination clearly springing from the inherent racialist philosophy of your members." The letter ended with the injunction: "Kindly get your members to put their house in order or, and I truly mean this, all hell will most certainly break out in this fair city."

On the same day copies of that letter were sent to the editors of the Birmingham Mail and Birmingham Post; ten days later the former published an item in his paper noting Mr. Narayan's official complaint of racial discrimination among Birmingham solicitors and reporting that the local Law Society was surprised that these allegations should have been made but that if specific details of the complaints were provided they would be thoroughly investigated.

The disciplinary committee last Tuesday found that the letter was intemperate, ill-judged and unwise, but that it was not offensive to the president of the Law Society. It dismissed that charge. But what of the dissemination of the letter to the Press? The charge here was in effect one of touting for work; it said that it was unbecoming to a barrister to send copies of a letter which "referred to yourself as a barrister of some experience and distinction."

But the real gravamen of Mr. Narayan's conduct was that he had made a complaint to an officer of the solicitors' governing body, and without waiting for a response made the allegations public. Why bother to write to the president of the Law Society if the only object was to enlist the aid of the media in a campaign against local solicitors who were said to be racially biased?

A member of the public in Birmingham who read his local newspaper with this news item in it might, if he knew the facts, have felt that barristers ought not to publicise their grievances until at least the professional body had had an opportunity of looking into the allegations. It might even be inferred that Mr. Narayan did not really desire any thorough investigation of his complaints. But he was not charged with that offence, and so was rightly acquitted.

But he was found guilty of behaving discourteously to a judge who was trying a case at Birmingham Crown court in which Mr. Narayan was appearing, and subsequently of writing him an offensive letter. For those he was, subject to an appeal, reprimanded.

It is a golden rule of the profession that a barrister is expected to act with due courtesy to the tribunal before which he appears. Any unnecessary discord between Bench and Bar does no credit to the administration of justice in the eyes of the public, and in any event makes the task of administering that justice difficult. It is also the barrister's duty to uphold fearlessly his client's interests, regardless of any unpleasant consequences to himself.

It is not always easy to sustain the duty towards the client and remain polite to judges. Most judges are acutely aware of the advocate's dilemma and suffer in silence what might in other circumstances be treated with less tolerance. In the heat of forensic battle the advocate must be given a licence that should not be qualified by reactive complaint considered in the cool light of the judge's retiring room.

Doubtless the comparative leniency of a reprimand for Mr. Narayan reflected that attitude. But the public might feel that the law knows best how to protect its own, while not being too sensitive to the public's needs to ensure the propriety of barristerial behaviour away from the courtroom.

Survival of the fittest courses

RACING

BY DOMINIC WIGAN

THE Joint Racing Board's report of its committee of inquiry into the distribution of the Horserace Betting Levy has, in the main, been received with hostility.

This is certainly the case with most smaller tracks, and their response is hardly surprising. For the report—a blueprint for the future—makes it clear that the committee of inquiry is looking to a restructuring of the Levy Board's distribution, which if implemented, could see a number of smaller tracks go to the wall.

The committee, set up jointly by the Horserace Betting Levy Board and the Jockey Club, seeks to split Britain's racecourses into three categories, with only those 12 courses in Category A qualifying for maximum support.

The dozen tracks in that group would be eligible for help with any capital project, but those in Category B would receive no help for any projects other than improvements to the course, weighing room, hostel and stables.

At the bottom of the scale, tracks in Category C would get no help at all for capital projects.

The undoubted theme of the report is based on the committee's belief in the need to reward success and encourage self-help. Furthermore, it is clear that the members of the committee, who included such astute businessmen as Sir Arnold Weinstock and Mr. Louis Freedman, feel it is time to concentrate on quality rather than quantity.

With this in mind the selective approach has been suggested, which it seems will lead to the survival of the fittest.

If the recommendations of the committee of inquiry are accepted, it seems a foregone conclusion that several tracks in Category C will close in three or four years.

FOLKESTONE
1.45—Creme de la Creme***
2.15—Rema
2.45—Helexian
3.15—Nurose**
3.45—Jellabia
4.15—Radigo
4.45—Maidens Walk*

TV Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (UHF only). 12.45 pm Midday News. 1.00 Pebble Mill at One. 1.45 Over the Moon. 3.15 Songs of Praise from Oldham, Lancs. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Cheggers Plays Pop. 4.40 Godzilla. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Paddington.

5.40 Evening News.
5.55 Nationwide (London and S.E.).
6.20 Nationwide.
6.45 Young Musician of the Year: Semi-finals.
7.20 The Dukes of Hazzard.
8.10 Panorama: The cigarette industry.
9.00 Nine O'clock News.
9.25 The Monday Film: "Halls Of Anger."
11.00 Film '80.
11.30 Family History.
11.55 News Headlines/Regional News.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 1.45-2.00 pm Pili Pale. 5.55-6.20 Wales Today. 6.20-6.30 Tom and Jerry. 6.30-6.45 Heddiw. 11.55 News and Weather for Wales.

Scotland—12.40-12.45 pm Scottish News. 5.55-6.20 Reporting Scotland. 11.55 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.20-6.45 Land 'n' Larder. 11.55 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 The Craft of the Weaver.
7.20 Mid-evening News.
7.35 Cantilena: Renaissance and Baroque music by Widmann, Telemann, Vivaldi.
8.05 Bird Spot.
8.15 Marti Caine with The Drifters.
9.00 Not the Nine O'clock News.
9.25 Anne Hughes.
10.25 Russian: Language and People.
10.50 Newsnight.
11.30 Arena.
12.05 am Closedown: "Bond Street" by Norman Nicholson.

LONDON

9.30 am It Isn't Easy Being a Teenage Millionaire. 10.20 The Search for the Persian Royal Road. 11.05 Fantasy Island. 11.55 The Bubblies. 12.00 We'll Tell You a Story. 12.10 pm Rainbow. 12.30 One Step Ahead. 1.00 News at One. 1.20 Thames News. 1.30 About Britain. 2.00 Against the Wind. 2.30 Monday Matinee: Jose Ferrer, Trevor Howard in "Cockleshell Heroes." 4.15 Clapperboard. 4.45 Enid Blyton's Famous Five. 5.15 Money-Go-Round.

5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 The Kenny Everett Video Show.
7.30 Coronation Street.
8.00 Young at Heart.

... in The Morning." 5.15 University Challenge. 6.00 About Anglia. 6.30 Survival. 10.30 Cross Question. 11.00 Monday Film. 12.25 am Reflection.

ATV

9.30 am The Coral World. 10.20 Afloat. 10.45 Aesop's Fables. 11.15 The Legend of Los Tayos. 1.20 pm ATV Newsdesk. 2.00 Money-Go-Round. 2.30 The Monday Matinee: "Skullduggery." 5.15 A Sharpe Intake of Breath. 6.00 ATV Today. 10.30 Left, Right and Centre. 11.00 ATV Newsdesk. 11.05 Luke's Kingdom. 12.05 am Something Different.

BORDER

9.25 am Sally and Jake. 9.40 Sesame Street. 10.40 To Russia for Burns. 11.05 Welcome to the Ceilidh. 11.30 Walking Westward. 1.20 pm Border News. 2.00 Money-Go-Round. 2.30 Monday Matinee: "Battle Beneath The Earth." 5.15 University Challenge. 6.00 Lookaround Monday. 6.15 About the Garden. 6.30 Border Nurse of the Year. 10.00 News and Border Weather. 10.30 Monday Movietime: "A Black Veil For Lisa." 12.00 Border News Summary.

CHANNEL

12.30 pm One Step Ahead Work In The '80's? 1.30 Channel Lunchtime News, What's On Where, and Weather. 2.00 Money-Go-Round. †2.30 The Monday Matinee: "Sea Of Sand." 4.12 Puffin's Birthday Greetings. 5.15 University Challenge. 6.00 Channel News and Weather. 6.10 Praise the Dogs. 10.28 Channel Late News and Weather. 10.35 The Television Programme. 11.05 Luke's Kingdom. 11.55 News and Weather.

GRANADA

9.30 am Sesame Street. 10.25 Dynomutt, the Dog Wonder. 10.45 Tarzan. 11.35 Survival. 1.30 pm Granada Reports. 2.00 Money-Go-Round. 5.15 Bonkers. 6.00 Granada Reports. 6.30 This Is Your Right. 10.30 Reports Politics. 11.10 The Late Film.

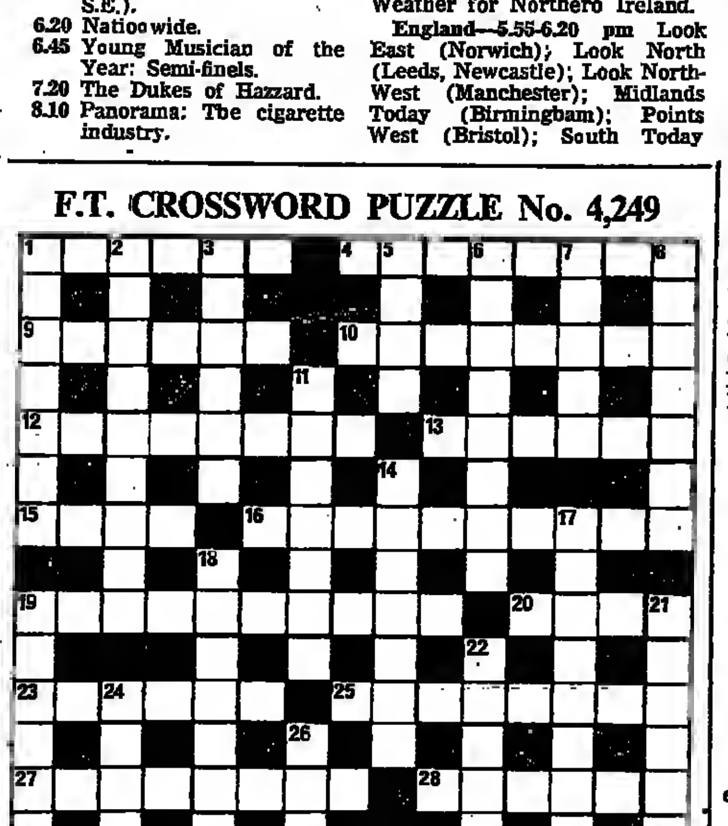
HTV

9.25 am Kum Kum. 9.50 Wild, Wild World of Animals. 10.15 The Lost Islands. 10.40 To Russia for Burns. 11.00 Welcome to the Ceilidh. 11.30 Walking Westward. 1.20 pm Report West Headlines. 2.00 Here Today. †2.30 The Monday Matinee: Alec Guinness in "The Mudlark." 5.15 ...

10.00 News and Scottish News. 10.30 Afloat. 11.00 Maude. 11.30 Late Call. 11.35 Have Girls Will Travel: Big Body Heist.

SOUTHERN

9.35 am Kum Kum. 10.00 The Rolf Harris Show. 10.25 Bushbaby. 1.20 pm Southern News. 2.00 Money-Go-Round. 2.30 "The Fast Lady." 5.15 You're Only Young Twice. 6.00 Day By Day. 10.30 Southern News Extra. 10.35 Music In Camera. 11.30 Kaz. 12.20 am Weather followed by A Roof Over Your Head: "Leaving Home."



F.T. CROSSWORD PUZZLE No. 4,249

ACROSS

1 Substitute money (6)
4 Condemn unheard in front of arbitrator (8)
9 Observe going to cover and blinker (6)
10 Large glass vessel (8)
12 Revolt described in publication from the south (8)
13 Hybrid zebra in front of a stockade (6)
15 Time of writing an appointment (4)
16 Inebriated after drink as boxers may be . . . (5-5)
19 . . . and carry a drink as boxers like to 4, 1, 5)
20 Quiet little editor in outhouse (4)
23 Characteristic kind of order (6)
25 Scab disease in cattle (8)
27 Fish to pierce in a manner of speaking (8)
28 Nag following cat and bird (6)
29 Becoming involved in argument with team leader before fishing (8)
30 Coil used in aerobatics (6)

DOWN

1 Credit became less in demand and folded (7)
2 Narrative act in code revised (9)
3 Determined and plucky but it could be grating (6)
5 To swing to and fro could be sweet (4)
6 Roped jay may possibly be in danger (8)
7 Thick poles in river (5)
8 Attention to foreign currency set aside for a particular purpose (7)
11 Loud sum arranged for numerical element (7)
14 I scold it's said and it's pretty chilly (3-4)
17 Recover mounted gun carrier (9)
18 Very small fine dance, but cats reject it (4-4)
19 Beer drinker gets his measure (4-3)
21 Finger is removed from Foxglove (7)
22 Rustle of silk right inside haul (6)
24 I must appear in act in Italian city (5)
26 Examine critically in excess candour (4)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Wigmore Hall

Further Simpson

A year before his sixtieth birthday Robert Simpson is currently receiving sustained attention usually reserved for anniversaries, but which his music merits and needs. Whatever one finally thinks of them, his series of quartets (eight) and symphonies (seven—the sixth was premièred last week) present one of the prime challenges of the day; they deserve to be estimated in a proper context. During May and June, the Delmé Quartet will accordingly be performing the complete run of quartets at Brunel University. Meanwhile, we have been given a sampler in the form of three concerts, arranged and documented by Dr. Simpson, each comprising an adaptation from *The Art of Fugue*, a Rasumovsky quartet and a Simpson quartet based on the Rasumovsky. The first of the series has already been reviewed on this page. On Saturday the Delmé concluded it with Simpson's sixth quartet; the fifth was played (like the fourth, for the first time) on April 2.

These works are described as "variations" upon their respective Rasumovskys, but while this is accurate it hardly conveys the peculiarity of the undertaking. Out of a love for Beethoven evidenced many times (for instance the Clarinet Quintet of 1968 is intimately derived from op. 131) and out of unrelenting pedagogical zeal, Simpson has chosen to work through his own ideas in exact structural correspondence with Beethoven's: harmonic, formal, textural, even melodic. The exercise is disarmingly (disingenuously?) intended as a way back to the classics for the thus-improved listener: "If these quartets enhance understanding of the genius of Beethoven at their own expense, their purpose will have been served." One gasps at the lengths to which industrious teachers will go!

But the statement does make clear that we are not witnessing another Stravinskyan "recomposition," by which what the composer loves becomes "his own." On the contrary, Simpson wants furiously to restore to tradition its otherness, not deprive it thereof. He stands uniquely apart both from older customs of parody and collective borrowing and from newer habits of stylisation. Nor is he to be accused — as at first perhaps appears—of plagiarising. The nearest analogy is probably with the predicament of Brahms; yet Simpson's "nostalgia" is wonted and not exactly melancholy.

So the listener is faced with a totally novel experience. It is, I may say, a very disorienting one—once at any rate you are in on the game. I tried to keep bearings in two ways: by following No. 5 (1974) with reference to the score of op 59 No 2; and by referring to the correct score during the performance of No 6. In both cases the Delmé had done the Rasumovsky immediately before. It was surprising how far one could manage using the original Beethoven score! Each event, each contour had its evident—if weird—correlative; the repeats were matched (Simpson going so far as to write out his) with the special feature of a repeated development and exposition in the first movement being pointfully observed; the overall tonal plan of E minor constantly subjected to infusions of C major was taken even further. Simpson's scherzo proved his best movement, more concise and continuous than it model and with a wit not unworthy of it. Otherwise, one felt that he too often drew things out: his adagio was considerably longer than Beethoven's and under-characterised for its length, eventually seeming tight-lipped and bland.

Again in the sixth quartet (1975) numerous correspondences could be spotted if the original was fresh in the mind. There was less thematic resemblance however. Here Simpson is chiefly interested in exploiting his invented equivalent to Beethoven's seminal diminished seventh chord and in paralleling textural resources such as the predominance of stabbing accents in the andante. He succeeded well in emulating the quality of the slow introduction to op 59 No. 3: like someone (i.e. the nearly deaf composer) "trying to hear something" as he described it (in words for once). His ensuing allegro had much more of a scherzo character than the model's. Then for a minuet he substituted a strict, calm and, to be frank, rather dull double canon. The fugal finale displayed great brilliance of craftsmanship, quite as hectic and sparkling as Beethoven's. By now, though, one's appetite for Simpsonian functional analysis was beginning to be jaded.

In the end there is something offensive about Simpson's attitude. He is being, after all, both patronising and self-regarding. Arrogantly sceptical of the musical public's ability by and large to perceive *anything* for itself, he is at the same time betrayed himself as the sedulous ape, crying "Look at me! Look what I can do!" Admiration we have for Dr. Simpson, but that is not enough. The Delmé players gave committed and persuasive readings, but they could not disguise the paleness of much of the invention and sound once stripped of the various compositional "feats." (What else could be expected though when form has been divorced from material?)

I found myself not so much enlightened as alienated by the enterprise; and alienated not just from this kind of reverent analytical *moves* (what is wrong anyway with brief verbal helps and then really letting the music speak for itself, unadulterated?) but, more dramatically, from the string quartet medium *per se*, fetishised as it has been. Dr. Simpson is so sure he is right: yet his strange simulacrums may turn out to have done more harm than good.

PAUL DRIVER

Festival Hall

N.Y.O.

For well over a decade now the reputation of the National Youth Orchestra has been such that it has been able to attract the services of many prestigious conductors and soloists. In the early 1970s Pierre Boulez revelled in the enthusiasm and freshness of an orchestra keen to play exactly as a conductor demanded, without any preconceptions or routine performances. Since then, the list of artists willing to give up their time to the rigorous schedule of rehearsals the NYO sets itself has grown and grown.

But even by the National Youth's standards, the Soviet conductor Kirill Kondrashin was a considerable catch. On Friday evening Mr. Kondrashin conducted the second of two concerts with the orchestra and extracted or—more accurately, since it needs little prompting to give of its best—encouraged typically spectacular accounts of Shostakovich's ninth symphony and Ravel's *Rapsodie Espagnole*. The sound of an orchestra that boasts 19 'cellos, 14 double basses, and at least sextuple brass and woodwind is almost certain to be spectacular: but in the first movement of the symphony (taken at a tempo that would have stretched the most experienced professional players) the trombones in particular provided vivid punctuation, and the principal bassoon distinguished himself in the languorous slow movement. The principal flute and trumpet also caught the ear. Only the upper strings seemed thinner and less polished than we have come to expect.

ANDREW CLEMENTS

Arlene Saunders in 'La Fancivila del West'

Leonard Burt

London opera

Fanciulla, Aida

I went along to the latest Covent Garden performance of *La fanciulla del West*, on Friday, in a mood approaching trepidation. The 1977 production by Piero Faggioni was, after all, one of the handful of resounding Royal Opera successes in recent seasons. As conducted by Zubin Mehta and played by Carol Neblett, Placido Domingo, Silvano Carroli and an expert Covent Garden male cast, it achieved a vindication of the work as something quite special and distinct among Puccini's operas; it proved therein a musical interest by no means always granted. It is never a pleasure to have to report serious decline; happily, there is as yet no need to. For the latest revival the conductor is new, and so are two of the principals; and though it is possible to detect a slight falling-off from the high level, both enthusiastic and discriminating, set previously, the show remains full-blooded, zestful, a definite success.

Under the baton of Giuseppe Patanè the work now unfolds more traditionally. In the long first act Puccini weaves a gentle fabric of cameo scenes; in Patanè's spaciously lyrical survey of it, there is room for all the exchanges, the asides, the small moments in which one learns to take such delight, to make their full effect. What seems traditional in a perhaps less fruitful sense is the looser way dramatic tensions are being developed; the second act, especially, is less gripping than it can be. Orchestral texture is not always carefully graded or clarified — I sensed a slightly subfuse sound quality in quieter moments, and a certain undifferentiated thickness in loud. Still, Patanè's direction offers ample evidence of its stylistic authority; the affectionate way in which "Old Dog Tray" is allowed to wind in and out of the first and third act choral friezes convinces one that its inclusionwas not simply a matter of Puccinian opportunism.

The new Minnie, new also to the house, is the Hamburg-based American Arlene Saunders, who establishes a frank, unvarnished presence from her first appearance. However unlikely her behaviour, Minnie emerges as one of PUccini's least claustrophobic-inducing heroines, especially when enacted with Miss Saunders' authentic gawky grace, plausible in moments of pathos and in acts of decisive vigour. She looks well and, apart from being tested to some uncomfortable scoops and *coups de glotte* by a line that presupposes easy recourse to brilliant, fearless top notes, her forthright soprano sends well: greater confidence can surely be presumed upon in later performances.

Likewise, it is probable that the new Dick Johnson, Giuseppe Giacomini, a more than acceptable replacement for the originally scheduled Jon Vickers, will come to rely on less stentorian assistance from the prompt-box. (The complain is not socrely pernickety, the intrusion of an alien voice is a particular disturbance in a production so insistent on dramatic verisimilitude). Mr. Giacomini rings out some attractive, darktoned phrases—if he shows reluctance to impose threatrical personality on the role, that may be only temporary. Carroli's black-voiced sheriff, and the specially incisive characterisation of Jonathan Summers, Paul Hudson, and Francis Egerton in supporting roles, are remembered with pleasure. The two intervals needed to shift those handsomely detailed sets have grown a little shorter—though hardly short enough.

*

The following eveoing the English National Opera unveiled at the Coliseum the touring version of *the Aida* which the company introduced into its repertory earlier in the current season. The designer of both versions is Stefanos Lazaridis, the producer of the second Nicholas Hytner. The first was weighed down with gilt-encrusted clutter, and the producer, John Copley, had decked out a spectacle all too easy to fault; at least, on its own (to my mind) wrongheaded terms, it worked as a *show*. This second, played for the most part on and before a flight of football-stadium steps onto which the chorus and Verdi's carefully varied ensemble scenes are corralled, is not even that until the last act, which returns the trial scene to its proper place offstage (Mr. Copley had brought it before the audience). It is a kind of concert in Egyptian costume, dull, ineptly plotted, entirely undramatic. Too much space would be needed to detail all the weaknesses; but, clearly, the Triumph that is being celebrated in the second act is the triumph of silliness.

What an indestructible opera *Aida* is! By the end of the evening it was possible to feel that the performance had survived not only this, and flawed orchestral playing under Ian Reid, Tom Swift's secure-voiced but wooden Radames, John Gibbs's astute but underpowered Amonasro, but even, in the part of the King (a part not disdained in his time by Pinza) an unhappy-looking (and soundiog) bass from the chorus. Because of two vivid players, it was even possible to feel that the experience had not been a waste of time, that something truly Verdian had been communicated despite the hazards. It was not until Act 4 that Katherin Pring's Amneris came into full focus, and even then upper-register problems denied her complete identification with the vocal line. But Miss Pring is a commanding player, a creature of the stage; the emotional disinlegration of her Amneris was powerfully and movingly conveyed.

The evening was above all an introduction to the Aida of Linda Esther Gray, and for that reason much attendant hardship could be patiently borne. On Saturday not everything about Miss Gray's account of the role was yet in finished condition; at the same time there was more than sufficient evidence that in time it will become an Aida unmatched by any other British soprano, and by few interoationally, for its freedom, vocal and emotional, and for its heroic boldness. While the sound of Miss Gray's bright-edged soprano rising effortlessly above the massed ensembles already gives enormous pleasure—the arpeggio at the close of "Ma tu re" shone out like sunlight—there is more to her than just volume and free, mettlesome high notes: generosity and womanly warmth play already a noble part.

MAX LOPPERT

'The Devil Himself' at Lyric Theatre

The Devil Himself by Frank Wedekind opens on Thursday, May 1, at the Lyric Theatre, Hammersmith. The cast includes Dilys Laye and Alan Rickman and the director is Peter Barnes. Music is by Carl Davies and Stephen Deutsch, the musical director is M. Rose.

Frank Wedekind was the creator of *Lulu* and *Spring's Awakening*. Brecht, who saw his act in the famous Munich cabaret *The Eleven Hangmen*, described him "he filled every corner with his personality. There he stood, ugly, brutal, dangerous, with close-cropped red hair, his minds in his pockets and one felt that the devil himself couldn't shift him."

Peter Barnes, who has worked extensively for both the RSC and the Royal Court, returns to the London theatre after a long absence. He is best known for his works *The Ruling Class* and his adaptation of *Lulu*.

In this new revue of songs, poems and sketches, Wedekind, the great trumpeter of the sexual revolution, will comment with wit and charm on such subjects as art, murder, politics, lust and love.

ALDWYCH

Twelfth night

by B. A. YOUNG

It's logical of Terry Hands to make Twelfth Night of the year 1601 or 1602 or whatever it was a clear moonlight night with snow on the ground under the bare, silver trees. It's less logical to have intimate indoor scenes played on such a set, even to have people lie down and take their ease in the snow; less logical still to have Curio ask Orsino if he will go hunt in the middle of the night.

But as we saw in *As You Like It* a week earlier, Terry Hands is not one to worry about making the comedies credible as long as they are pretty and amusing. John Napier's set is very pretty, and it has to serve for every scene in the play, though the trees sprout a few leaves, the earth a few daffodils (hardly matter for a May morning in Illyria) to mark the passage of time. I felt sometimes it was distracting to have the scenery contradicting the text; but mostly the acting is so vigorous that the set disappears as completely as the bare boards of the National's *As You Like It*.

The mood is set from the start, Feste, sitting in the snow) and playing his pipe, is surprised from behind by a black-clad Orsino (Gareth Thomas) as rough as a Viking invader, interpreting his well-known opening lines with a new and less romantic sound. He maintains this roughnes throughout, even at the final dénouement: he will make the most of Viola's being a girl, but his affection was as lavish when she was a boy. Indeed Cherie Lunghi makes a very likeable boy indeed, and almost alone among the cast keeps her emotions in reasonable check; even when she virtually tells Orsino who she is she remains a respectful aide de camp.

Olivia's emotions are never held in check. Though Kate Nicholls is delightfully adult to the eye, and her voice has an adult quality, the inflexions of her speech suggest a seven-year-old child, and a spoilt child at that. It's clear that this is the kind of playing Mr. Hands is after, for it is even more evident in John Woodvine's Malvolio.

This begins splendidly when he escorts Olivia on to the stage with staid dignity and speaks in a correct voice marred by some giveaway syllables. But the later comedy is music-hall stauff—the military run after flashing of his yellow codpiece at Olivia, the exaggerated cramp from the cross-garters. These things spoil a fundamentally good rendering.

The other funnies are spared such excess, though Willoughby Goddard's Falstaffian Sir Toby hardly holds his drink as such an experienced toper should. John McEnery's bald-pated Aguecheek combines with Toby, Viola and later Sebastian (Stephen Rashbrook, effectively identical) to make the duelling scenes hilarious; bot he mustn't say "I sor it" for "I saw it." Come to that, Feste, a tattered old Fool in Geoffrey Hutchings's playing, must not put four syllables into "clerestory." Feste lurks on stage throughout for some reason not clear to me. He sings pleasantly; as much as possible is made of all the musical hints in the text.

The acting that moved me most came from Roger Bizley, who plays the small part of Amonio with truly human sympathy. If the wild emotions of the principals were scaled down to somewhere nearer that level, we could believe that there were actually people on the stage who were feeling love more noble than the world, love more than their life, passion nor wit nor reason can hide. All these are in the play besides the foolery.

The Sophy, by the way, is given his current, fugitive title of Shah of Persia.

John McEnery and Willoughby Goddard

Leonard Burt

Phoenix

The Umbrellas of Cherbourg

by B. A. YOUNG

There is nothing in London so pretty as Andrei Serban's production of *The Umbrellas of Cherbourg*, with its sheets of rainswept Perspex shifted about by the company to form instant exhanges of scene, while at the back of Michael Yeargan's design there looms a Cherbourg skyline against an ever-changing sky.

I wish something else came up to the same standard. What we have is an immensely sentimental story told in dull prose lines set to music that plods along in a heavy-footed common time most of the evening, only occasionally blossoming into a memorable tune. The tale concerns a love affair between Guy, a young garageband (Martin Smith) and Geneive, the teenage daughter of the proprietress of an umbrella shop (Susan Gene). When Guy goes for his military service, he leaves the girl pregnant, but she is able in spite of that to marry her mother's rich customer Casard (Simon Masterton-Smith). The boy is upset when he returns from Dien Bien Phu or wherever it is, but soon consoles himself with Madeleine (Michele Summers), the companion of his old aunt.

Sheldon Harnick's translation of Jacques Demys libretto is just an outpouring of ordinary everyday conversation, without rhymes or rhythms, wit or passion. It is thrust mercilessly into the steady pulses of the music, with no attempt to match the beat of the words to the beat of Michael Legrands music. The effect is of a kind of pop plainsong; and as there is no spoken dialogue this goes on all the evening except for a couple of occasions where a recognisable song tune emerges.

We are left in a no mans land between play and opera. The players have no real opportunity for any but the most basic acting; but on the other hand there is no opportunity for genuine singing, any more than you would get in an opera that consisted entirely of recitativo secco. But at any rate all the words are clearly articulated over the little array of microphones that line the front of the stage, and the voices are true and tuneful.

There are two players I should mention besides those I have already named—Sheila Matthews as the smart but not very scrupulous proprietress of Cherbourg's top umbrella emporium, and Helen Landis as Guys chair-bound aunt; and a word too for all those players of smaller parts, who make the scene look as pretty as they pose behind their transparencies to dress the stage.

Arts Council appointments

The Arts Council, with the approval of the Minister for the Arts, has appointed Dr. Richard Hoggart as its vice-chairman. He succeeds Lord Hutchinson, who retired from the Council in December.

The Council has also appointed four new panel chairmen. Marghanita Laski takes over the chairmanship of the drama advisory panel and Noël Goodwin the chairmanship of the dance advisory panel with immediate effect.

From April 1 David Sylvester, who has just been appointed to the council, will take over the chairmanship of the art advisory panel, and John Manduell the chairmanship of the music advisory panel from Professor Basil Deane, who has been appointed music director of the Council.

Melvyn Bragg continues as chairman of the Council's literature advisory panel.

Dick Francis wins crime novel award

Dick Francis, the former steeplechase jockey-turned-best-selling author, has won the Gold Dagger for the best crime novel of 1979.

SOCCER BY TREVOR BAILEY

Accomplished teams disappoint

IT WAS rather ironic that there should have been a pre-match schoolboy demonstration of the FA Superskills coaching awards, because there was a marked lack of ball control in the goalless draw between Arsenal and Liverpool.

Admittedly there was a disconcerting wind, the playing surface was unreliable in places, the pace seldom less than frantic and semi-finals seldom provide attractive football. But it was still disappointing to find so many players in two of the most accomplished teams in the country having problems in killing an awkward ball instantly, giving an accurate pass and judging bounce.

Those who hoped for an intriguing battle of tactics were also disappointed. The two main moves employed by Arsenal were the high punt upfield in hope that the pressure from their two lead forwards might induce a mistake and the pass back to the goalkeeper.

For some inexplicable reason Brady, who has the ability to create a goal from a situation promising nothing, played so deep that he was challenged by the opposing centre-forward more than by anyone else.

In the Gunners' defence it should be said it was their third hard game in less than a week, including that very demanding first leg of the semi-final of the European Cup-winners' Cup against Juventus, in which they could achieve only a draw. This is asking too much of any team at this stage in the season.

If they are eliminated from that competition, as seems probable, and fail to reach Wembley, they could well not qualify for the glamour, cash and glory of Europe.

Certainly nobody could fault them for effort, and after the interval they did improve. Talbot, who never seemed to stop running, hit the top of the bar with a fine lob, but a goalless draw was the most appropriate result for a match in which centre-backs and runners caught the eye more than the artistes.

Liverpool produced the majority of the football in a sterile afternoon, and though they created sufficient chances to have won they gave the ball away far too often. Whether this was due more to their own deficiencies or to denial of space by Arsenal is hard to say. Probably about 50-50.

Though newcomer Lee impressed, and is a most accomplished half-back and a great prospect, the injured McDermott was missed in three ways which greatly reduced his team's overall effectiveness.

First, Case looked lost without him, even before he had been slowed down after a foul by Nelson. Secondly, his colleagues had not sufficient confidence to give the ball to his replacement Lee when he called for it. Finally, and most important of all, McDermott is a brilliant taker as well as a maker of goals, especially adept at giving a quick pass and racing into a possible scoring position for the return.

Without him, Liverpool's goal potential is probably reduced by a quarter, and in a tight tense fear-filled game like this by as much as a third.

The Northerners used a distinctly suspect offside trap, which creaked and nearly cost them the match. On one occasion it forced Clemence into making a tackle on Stapleton well outside the penalty area.

Who will win the replay at Villa Park on Wednesday, which one hopes will provide more entertainment and football?

Even without the ubiquitous McDermott my money, unless they should snatch an eard, is on a narrow points win by Liverpool.

Nevertheless, it is feasible that Brady will find that masterly touch which appears recently to have deserted him.

It was very satisfying seeing again over 50,000 at Hillsborough, and it is good news that Sheffield Wednesday will probably return to the Second Division, as their abilities deserve more than Third Division football.

The claim of the club chairman, Mr. H. G. McGee, that it is the best setting outside Wembley must be open to doubt.

The pitch itself is nowhere near the best in the land, while surely the corridor outside the dressing room is not the ideal place for managers to give post-match interviews.

It is time that major clubs realised the need for an interview room which substantiates the comments by the economist, P. J. Sloane, in A Sport in the Market? that football is indifferently marketed.

GOLF BY BEN WRIGHT IN AUGUSTA

Ballesteros set for Masters

NOTHING short of a major calamity can stop Severiano Ballesteros adding the U.S. Masters title to his Open Championship at the Augusta national golf course, Georgia. He leads the field by seven shots after three rounds and the consensus of opinion is that only fire, flood or a broken leg can stop the young Spaniard now.

Of the three the flood is the most likely. There was heavy overnight rain in Georgia, probably a result of the combined prayers of the rest of the field, and there is the possibility of thunder during the final round.

But the rest of the world will be hoping that that thunder will be coming from the clubs of Ballesteros. He has dominated the Masters almost to the extent that Raymond Floyd did in 1976, and he needs a 68 over the final 18 holes to join Floyd and Jack Nicklaus as holder of the 72-hole record, 271.

Hardly anyone is contemplating any other winner. There are only three other major championship winners on the leader board, and they, Andy North, Fuzzy Zoeller and Dave Graham have each won only one title. North is a former U.S. Open champion, Graham has won the U.S. PGA and Zoeller, of course, is the defending title-holder.

Zoeller is nine shots behind, North eight, and the closest to Ballesteros is Ed Fiori who, at 210, is seven shots behind. Jack Newton, J. C. Snead and Graham are on 211 with North and on 212, with Zoeller, are Gibby Gilbert, Jim Colbert, Rex Caldwell and Jim Simons. Down at 213 are the first of the established champions, Tom Watson, Gary Player and Hubert Green, while Jack Nicklaus is on 218, 15 strokes behind Ballesteros.

There is encouragement for both British and amateur golf in that Sandy Lyle, with a third round of 70, has moved up to joint 23th place on 216, and that the British amateur champion, Jay Sigel on 215, is the leading amateur by seven shots from Bobby Clampett.

Lyle had the makings of a 66. To be out in 33 was a considerable achievement, and the truly great players normally go on to capitalise. But he is still only 22, the youngest professional in the field, and after a promising start he struggled home.

While no-one is contemplating a Ballesteros collapse, there is, in fact, a precedent. Last year Ed Sneed went into the final round with a five-stroke lead, which Zoeller overhauled, and in 1978 Player came from seven behind to win with a dramatic last-round 64.

Should Ballesteros win the Masters there will be heavy financial pressure on him to play more tha nthe two tournaments he plans for, the Tournament of Champions next week and the U.S. Open.

Ballesteros has an American manager, and it may take all his strength of character to stay in Europe. Why should he want to in the face of $1m? Seve has a simple answer. "America is 15 hours from my home," he says.

His third round was characteristic of him. He twice capitalised on major pieces of luck, the first time at the fifth. There be hit his drive "almost through my legs" and the ball scurried away down a hill, deep into the trees, getting close to the sixth green. It was arrested by the nose of an unfortunate woman and Ballesteros was able to play out from an extremely difficult position instead of an impossible one.

On the 13th, a sliced drive was again heading for the deep woods when it struck an umbrella held by a spectator and bounced back on to the fairway. Ballesteros smiled and asked: "That must be a good umbrella, what kind is it?" He went on to get his birdie.

Perhaps the stroke of the round came at the eighth, a hole which has been remodelled so that it now is as originally planned by Bobby Jones. It measures 530 yards and Ballesteros hit a three-iron second—blind, and all carry—245 yards, leaving it five feet fro mthe hole. He made the eagle, of course.

Ballesteros is 13 under par, 11 of them gained at the par-fives—ample indication of his strength which is still his inordinate length. He has worked hard through the winter to gain more accuracy with his driver, and claims that in so doing he has lost 15 yards. The rest of the field can only shudder, and be glad.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SHIPPING

Less noise at sea

A NEW noise absorption system—designed to greatly reduca the transmission of noise from ships' engine rooms to living and sleeping accommodation—is being installed for the first time in a British built ship by Cochrane Shipbuilders of Selby, Yorkshire.

The system—designed, manufactured and patented by Grunsweig and Hartmann of Hamburg, and already successfully installed in many German-built ships—is to be built into the "Esso Pymouth," a 66.5 metre diesel-engined products carrier being built to Lloyds Register class by Cochrane for Esso Petroleum.

The entire superstructure of the ship will be mounted elastically and independently from the rest of tha ship, on pairs of large rubber pads which will absorb noise and vibration transmitted from the engina room.

Safety devices are fitted hetween the rubber olements which would hold tha superstructure steady in tha ovent of overloading or damage to the elements.

Esso chose the system after hearing of its success in German ships, and both Cochrane Shipbuilders and the Department of Trade will be carefully monitoring any rednction of noise levels.

Engine noise has for long been a serious prohlem, particularly in small ships powored by high-revolution diesel engines. The Esso Plymouth falls into this category.

In 1978, the Department of Trade introdnced a voluntary Code of Practice, setting maximum permitted noise levels for all shipping. The maximum levels permitted in sleeping cahins and living accommodation respectively are 60 decibels and 65 decibels. The maximum level permitted anywhere on a ship is 135 decibels.

Tha normal noise level in a bodroom is around 25 decibels and 65 decibels is the amount of noise which might be expected in a typical machine shop. The decibel scale is logarithmic, so no two units are equivalent, hut an increase in 10 decibels will double the amount of noise.

A standing committee on noise in shipping was also established in 1978, with a commission to undertake a comprehensiva review after four years.

Tha National Union of Seamen and The Merchant Navy and Airlino Officers Association—the two main shipping unions—both said they welcome any attempts to rednce noise, although the MNAOA thought tha existing code of practice was being widely disregarded by shipowners.

The Esso Plymouth, due to be launched in Selby on May 15. will go into service as part of Esso's coastal tanker fleet.

DAVID HOLMES

● COMPONENTS

Tough but light hose

UNLIKE OTHER non-rubber hoses, the material from which the inner core of its Nylaflow Steelbraid Type 331 hose is made will not stiffen at low temperatures, says Polypenco, PO Box 56, Welwyn Garden City, Herts (Welwyn Garden 21221). Flexibility is maintained even at minus 40 degrees C, it is claimed, making it suitahle for use on hydraulic systems and equipment operating in extremely cold conditions.

Although it is of one-wire construction, the company says that size for size, its latest hose offers significantly higher working pressures, and qnotes up to 3,000 lb/sq. in. A significant market expected for tho new hose is for use on equipmont for which, at the present time, a two-wire hraid bas to be specified.

Bore sizes now available are ¼, 5/16, ⅜, ½ and ⅝ in. and the hose is available in bulk with a full range of fittings. Complete assemblies can also be supplied.

● ELECTRONICS

Moving in on the market

FOLLOWING THE acquisition of a 51 per cent interest in Memory Devices of East Molesey by the U.S. corporation Analogue Devices, tha British company has moved into a £350,000 expansion phaso in a bid to capture a larger share of tho synchro converter market, currently worth $50m and likely to double by 1984.

These devices, which provido digital data about tho position of a rotating shaft for control system purposes have a largely military / navigational background but are finding increasing application in such areas as machine tool control and automated production line systems ranging from printing to wire wrapping.

They take the angular voltage data generated by rotating synchro or resolver units coupled to the shaft and produce a digitised output; on some of the company's higher quality devices accuracies of 8.5 arc minutes are obtained.

Recent designs are in hybrid form and are constructed on a seven layer substrate with 14 active semiconductor chips.

Unlike most of the competing companies—and Memory Devices is up against seven or eight U.S. companies—tho Surrey firm has included the input transformers on tho hybrid substrate. They are only 0.1 inch cubo in size and are wound with wire harely visible to the eye. But a superior result is claimed, yielding a halanced three wire input tolerant of the simultaneous connection of other devices, improved common mode voltage rejection and reduced noise. These are 12 bit devices—the most significant area of the market.

However, in addition to these hybrid units the company has just finished the design of a single custom chip—to be made by the American pareot—which embraces about 90 per cent of the 12 bit digital cooversion task. It is eqnivalent to ten medium scalo integrated functions and will enable the company to make its hybrid coo-verters at lower cost, higher reliability and lower power dissipation.

Memory Dovices is at the moment doubling the size of its clean room facilities and has moved into the factory next door to gear up for the demand it expects for its latest products; some 2000 devices per month by the end of the year is predicted.

It also expects to gain from the acquisition by Analogue Devices to the extent that the U.S. parent will provido an outlet for the products into such difficult areas as the U.S. aerospace industry.

More from Central Avenue, East Molesey, Surrey KT8 0SN (01-941 1066).

To achieve tho necessary high accuracy tho resistive elements on the matchbox-sized hybrid integrated circuits are here seen undergaing laser trimming—minute parts of the track are removed by precise sweeping of a minute spot of laser light which burns off the material. The manufacturer, Memory Devices of East Molesey, Surrey, has invested over £½m and expect to spend nearly £½m next year on new premises and plant.

For those who hear bells

SOME PEOPLE suffer from a very uncomfortable complaint called Tinnitus—which is a constant ringing in the ears. Until now there has been no cure for this curious condition, apart perhaps from joining the local church bell-ringing society.

However, a small Canadian ocmpany called Linear Technology working with some medical specialists bave been developing an electronic device similar to a hearing aid which may offer relief to some sufferers and clinical trials carried ont so far have been quite encouraging.

The ringing experienced usually has a range in frequency of between 1,000 and 2,000 Hz. The circuit designed by Linear Technology produces electrical noise of around the same frequency which is intended to mask the ringing effect.

The company was set up in 1973 as a small manufacturer of semiconductors and it now specialises in medical electronics. For example, it is one of tho largest manufacturers of amplifiers for hoaring aids.

It bas also been working with the Canadian defence department on several projects including the development of a dynamic heart rate monitor for use in the training of military persoonel althongh it does have applications in the field of sports medicine. Prototypes will be available later this year.

ELAINE WILLIAMS

● AVIATION

Runway visibility check

ACCURATE MEASUREMENT and corresponding digitised data concerning runway visual range at airports is provided hy a newly developed system from ASEA in which laser light pulses are fired at corner reflectors placed at intervals down tho runway.

The laser transmitter is automatically directed at the most distant reflector consistent with good measurement, closer ones heing used in bad visibility: the amount of reflected light is then depeodent on the reflector distance and the transmissivity of the atmosphere.

The data produced is digitised every three seconds and sent over pair line to calculation and display equipment where it can be merged with data from other metereological sensors for the visual display of wind speed and direction, temperature, relative humidity and barometric pressure. Recorders and printers can also be connected.

To ensure good accuracy: the transmissometer unit mounted at the end of the runway is temperature controlled, self-calibrating every three minutes and self-correcting for dirt deposits on the reflectors.

First of these units have been installed at Arlanda and Landvetter airports in Sweden and that country's Board of Civil Aviation bas approved the system for operational use after a year of testing.

The company's head office in tho UK is at 41, The Strand, London WC2N 5JX (01-930 5411).

● MATERIALS

Board will resist fire

FINANCIAL SUPPORT from the National Research Development Corporation will enable manufacture of a monolothic glass-reinforced-filled gypsum hoard with high fire resistance and insulating properties developed by Thames Plywood Manufacturers, Harts Lane, Barking, Essex (01-594 5511).

Conforming to BS 476: Part 4, the material is non-combustible, does not contain asbestos and does not give off toxic fumes or smoke in fire conditions. It has a smooth surface on both sides which can be decorated or faced with laminates or veneers.

Standard thicknesses will range from 12 mm to 30 mm, all able to be cut and shaped with normal woodworking tools.

Applications will he in the industrial and commercial fields, particularly where there is a need for high fire-rating requirements, and it has been determined that it can be used in fire resistant steel structures for up to two hours, depending on the size and weight of the steelwork and the thickness of tho cladding.

● TEXTILES

Untwists the fabric

IN MANY wet processing treatments of textiles the goods are processed as a rope rather than in the open-width. Eventually and after the processes have been completed the goods will have to be opened out but this poses a problem in that they have tended to become twisted.

A number of ways of untwisting these ropes have been developed over the years and they work with varying degrees of success. Now a new approach has been introduced which uses a pboto-electric technique to untwist the fabrics. The process is completely antomatic and it is possible to handle fabrics running at speeds up to 80 metres/minute.

Called the SDA 01 the new pbotoelectronic system not only untwists the fabrics but fully spreads it and centres it by means of a combination of pneumatic selvedge spreaders and photo-electronic guiders whicb are fitted to the feed end of the subsequent processing plant.

The equipment has been developed in Germany hy Erhardt and Leimer KG. British agent: Stephen Tendlow, Este House, Ripley Street, Bradford BD4 7EG. (0274 26557).

● INSTRUMENTS

Measures moving material

TWO ATTACHMENTS for measuring the linear surface speed of moving material in continuous process operations now extend the capability of the DOT 1 digital optical tachometer from Compact Instruments, Binary Works, Park Road, Barnet, Herts.

Higher capacity version of this new hand-held contact device is the LSA/1 which will measure speeds from a minimum of 10.0 to 999.9 metres a minute.

For lower speed measurements, the LSA 1/10 is available, and this has a minimum speed of 1.00 metre a minute.

Tho unit has a rubber wheel which transmits pulses per shaft revolution to a coded disc and solid state sensors and is said to be ideal for applications such as measuring the speed of drive belts, wire and cable making, paper and fahric web production, etc.

● CATERING

Inside information

ONLY IN Japan, perhaps, could a vending machine be developed that will talk in soothing tones to the customer while he is dispensed, or alternatively not dispensed, his button-chosen requirements.

Matsushita Electric, the maker, admits that the machine "is in the novelty category," at the moment, but nevertheless claims that it will attract more customers than mute machines, adding that "the personalisation it provides is likely to reduce frustration and confusion of customers."

Apparently the machine—and it is impossible to imagine what sort of reaction it would get on a UK shop floor—says things such as "welcome" in a soft female voice and then goes on to list what is available from its interior.

هكذا من الأصل

FINANCIAL TIMES SURVEY

Monday April 14 1980

هكذا من الأصل

NORWAY

Its North Sea wealth of oil and gas will be with Norway well into the next century. Meanwhile, however, the country is beset with a number of domestic and foreign problems which for this relatively small nation are not easy to solve. Much will depend on the Government's strength of will to manage affairs.

Oil will outlast present ills

By William Dullforce
Nordic Correspondent

THE NORWEGIANS have received several reminders recently that they live in a harsh physical and political climate. The latest, the disaster which overtook the Alexander Kielland floating hotel in the North Sea storm last month, has shaken the nation and could affect plans for further exploitation of offshore oil and gas, at least in the short term.

Even before that catastrophe, however, the effort to absorb the plentitude promised by the offshore discoveries had put both the economy and the political fabric under stress. The ruling Labour Party is still struggling to adapt its policies to deal with the divisions within its own ranks and so avoid defeat in the general election next year.

As if its domestic problems were not enough, Prime Minister Odvar Nordli's Government has also been under pressure on the foreign front. The heightened tension between the Soviet Union and the U.S. has re-emphasised Norway's strategic position along Russia's sea and air outes to the Atlantic and close proximity to its huge military base on the Kola peninsula.

The Soviet media have made a sustained attack on Norway's defence policy in recent weeks at the same time as the Norwegian Government has been discussing with the Americans and other NATO partners plans for swifter military reinforcement of Norway in a crisis. The Russians are objecting in particular to the stocking in Norway of heavy equipment for U.S. forces.

The material blessings of Norway's North Sea oil and gas resources are real and uncontestable. They enabled Norway by borrowing abroad against the security of its future oil revenues to sustain near full employment and even raise living standards during the international economic recession of the mid-1970s. It was possible to cushion the initial effects on shipbuilding, shipping and steel manufacturing.

The size of the foreign debt—NKr 105bn (£9.36bn, $20.5bn) net by end-1979—was worrying but the oil price increases engineered last year by the OPEC countries worked in Norway's favour. In February a Government White Paper estimated that annual gross income from North Sea oil could be in the range of NKr 100-125bn a year at 1979 prices by the mid-1990s. State tax revenues from oil and gas would be NKr 45-60bn, it calculated.

Moreover, new discoveries made last year confirmed that Norway's oil adventure would not be a one-generation affair. At the moderate rate of depletion proposed Norwegians could look ahead to a century of North Sea oil and gas.

The gas into which Shell drilled on Block 31/2 last year is confidently declared in Norwegian oil circles to belong to the biggest gas field yet discovered. It should enable Norway to become a major supplier to West European gas networks and has intensified the competition among the Europeans, including Britain, to buy Norwegian gas. The Norwegians are asking customers to pay a premium above the equivalent oil price for the gas.

Auspicious

The long-term outlook for a people controlling large oil resources in a world short of energy are highly auspicious, but management of this bonanza has already proved to be a searching test for Norway's economists and politicians. Tentatively from 1977, and then more forcibly from 1978, the Labour Government was forced to reverse its economic policy as price and cost pressures threatened to kill off the country's traditional industries.

The 15-month price and incomes freeze imposed in September 1978 drew a remarkably disciplined response. It nearly halved the inflation rate and at least partially restored the competitive strength of manufacturing industry. But the key economic question this year is whether the Government can continue to control the cost pressures pent up by the freeze.

Essentially it has to persuade the unions to accept a low wage settlement at the same time as it has to limit its own contribution to such a settlement through tax relief and subsidies so as to keep public spending at a level which will not stimulate further price rises.

This is not an easy exercise in a society where there is full employment but where most wage and salary earners have experienced a decline in purchasing power during the freeze while at the same time hearing of new oil and gas discoveries and soaring revenues from the North Sea operations. More and more Norwegians are asking: "Why can't we use the oil income?" Even reputable economists have been heard to mutter that in face of the political difficulties one might just as well spend the oil revenues and run a Kuwait-style economy.

The political difficulties are clearly reflected within the ruling Labour Party, which has to regain its standing as the natural and safe manager of the economy. Its chances are not bright. In the local elections last September it made its worst showing for over 40 years and was left with control over only four of the 18 counties.

Its main rival Hoyre, the Conservative Party, had its best result since 1924 and the combined vote of the non-Socialist parties would have ensured them of a substantial majority in a general election.

Mr Nordli reacted by sacking eight Ministers and thoroughly revamping his Cabinet. In particular he brought in three trade unionists—one of them, Mr Ulf Sand, the trade union confederation's chief economist, taking over the Finance Miistry.

Criticism of the Nordli Government and demands for Cabinet changes had in fact been most strongly voiced from within the unions, the natural partners of the Labour Party. This criticism has not been stilled by the Cabinet reshuffle.

Within the Labour Party the unions currently play the role of a conservative bloc which insists that the party stick to its traditional pro-industry policy, whereas other forces are trying to adjust party attitudes to new social forces, notably those of the environmentalists. Significantly, while the Labour Party retains strong support among pensioners, the Conservative Party has a majority among young voters.

The Labour Party's problems are in fact more complicated. They relate in part to the dual leadership it adopted in 1975 when to avoid a potentially disastrous split in its ranks Mr. Reiulf Steen was appointed party chairman while Mr. Nordli took over the premiership.

The contending forces within the party have focussed round these two, the Left-wingers and those seeking to change party policy grouping round Mr. Steen. The party's failure in last year's local elections was widely attributed to the lack of co-ordination between the two leaders.

In his reshuffle Mr. Nordli took Mr. Steen into the Cabinet as Trade Minister, thus ensuring that they maintain more regular contact and that Mr. Steen shares responsibility for Government decisions. The move seems to have achieved its purpose. In the face of the widespread dissatisfaction with their leadership the two have struck up a temporary alliance at least.

Complacency

For the opposition the political situation is promising, perhaps dangerously so in view of the fact that the next election is almost 18 months away and complacency has dashed many political hopes in the past. The non-Socialists also have their problems.

Hoyre is losing a chairman, Mr. Erling Norvik, whose charm, sincerity and energy have freshened the party's image. Its high ratings in opinion polls and its performance in the local elections last year have been achieved partly at the expense of partners it will need to form a non-Socialist government, the Christian People's Party and the Centre Party.

The leaders of these two parties have so far maintained their support for a non-Socialist coalition but on some issues they are at odds with the Conservatives. The abortion law is a potential source of conflict, while the Centre Party adopts a "green" environmentalist approach to oil issues which is not in line with Conservative thinking.

The leading opposition candidate to take over from Mr. Nordli is probably Mr. Kaare Willoch, Hoyre's Parliamentary leader. He has been an outspoken advocate of retrenchment in public finances, of opening up oil operations for more private Norwegian companies to participate and of a reduction in bureaucratic controls to allow entrepreneurs greater freedom.

The weakness of the Labour Government is more evident on the domestic front and in its handling of the economy than in its foreign policy. It has reacted with firmness and coolness to the attacks in the Soviet media on its defence policy.

The main thrust of the Soviet campaign has been that by pre-stocking equipment for American and other NATO reinforcements Norway is substantially altering its policy on not permitting foreign bases to be established on its territory in peacetime.

The Norwegians have pointed out that pre-stocking of NATO equipment is not a new phenomenon and that discussions on stepping up the amount stored, in order to circumvent the increased Soviet threat to the Atlantic sea lanes, have been going on with the Americans since 1976. These talks in any case are only just about to enter the military staff planning stage.

If the intention was to influence Norwegian public opinion, the Soviet campaign has without doubt been counter-productive. The latest opinion polls show that 90 per cent of Norwegians support the Government's defence policy and that 86 per cent favour Norway's participation in NATO.

Demarches

Recent Soviet policy towards Norway has in fact had some interesting features. The media campaign has not been accompanied by any official or diplomatic demarches on the NATO pre-stocking issue. Instead, while the media campaign was in full swing, Moscow offered to resume talks with Norway over the disputed dividing line in the Barents Sea.

The Russians have always stressed that they have overriding security interests in the Barents Sea, which adjoins their strategic military base on the Kola peninsula and from which their latest submarines can launch nuclear missiles at targets in the U.S.

They have insisted that the so-called sector principle be applied in determining the dividing line between the Soviet and Norwegian zones. This would push the line much further to the west than the median line originally claimed by the Norwegians, who have, however, indicated their readiness to reach a reasonable compromise. In 1977 a so-called grey zone was negotiated for fishery purposes, in which the two countries exercise joint control of fishing operations.

The Russians have offered to resume talks on the dividing line towards the end of April and the Norwegians have appointed as their chief negotiator M. Jens Evensen, who negotiated the fisheries agreement.

Soviet intentions are not clear and the Norwegian attitude is sceptical. Oslo assumes that whatever the Russians have in mind it will be intended to serve their long-term aim of weakening Norway's ties with NATO and drawing the Norwegians into some form of joint control over the northern sea areas and the Spitzbergen Islands, which would help to exclude other nations.

CONTENTS

NORWAY II

Economic problems require firm handling

STRANGE AS it may appear for a small country with bountiful North Sea oil revenues, a mist of uncertainty currently shrouds the short-term outlook for the Norwegian economy. The main doubt concerns the ability of the Government to complete the stablisation policy it staked out when it imposed the 15-month wages and prices freeze in the autumn of 1978.

The freeze worked to the extent that last year the rate of inflation as measured by the consumer price index was cut to 4.8 per cent and the competitiveness of Norway's traditional export industry was substantially improved. But it is still premature to describe it as a success. Price and cost pressures are pent up but still not thoroughly under control.

One factor which has changed Norway's economic situation fundamentally over the past year has been the oil price increases engendered by the OPEC countries. Coupled with the rise in the volume of North Sea production these price increases will probably wipe out the external payments deficit this year.

But herein lies the temptation. The Government can choose, as it did in the mid-1970s, to use the oil revenue to meet income demands and avoid potential political conflict. The Cabinet Ministers concerned, from Prime Minister Odvar Nordli downwards, have reiterated time and again their intention of eschewing such a course. But the suspicion remains that 1980 could see a heightening of domestic consumption which in conjunction with a tight labour market would again weaken the competitive strength of manufacturing industry and bring back the imbalances.

Settlement

The critical factor will be the incomes settlement which emerges from the current negotiations between the employers' association and the trade union confederation. This will impinge on all other incomes including those of the farmers. The talks stalled before Easter and will have to be expanded into a tripartite negotiation involving the Government before agreement is reached. The aim is to get a settlement extending over 1981.

The union leaders sing the same tune as the Government as far as the cost situation of Norwegian industry is concerned: it is agreed that competitiveness must be restored to the level of 1970. At the same time the unions want to bring their members back to the living standards they enjoyed in 1978 before the pay freeze. The question is whether these aims are compatible.

Opinions also differ about the nominal incomes increases which would be compatible with these aims. A technical committee headed by Mr. Odd Aukrust, research director at the Central Bureau of Statistics, recently calculated that the manufacturing costs of Norwegian industry relative to its foreign competitors deteriorated by 35 per cent between 1970 and 1977. After the devaluation of the krone in February 1978 and the freeze on prices and incomes imposed the following September the gap had been reduced to 18 per cent by the end of 1979, when the freeze was lifted.

The committee also confirmed that most Norwegian families experienced a decline in purchasing power in 1979. A family with two children and an annual income of NKr 80,000 (£7,300) suffered a fall of 1.4 per cent, while a similar family with NKr 150,000 (£10,400) had its purchasing power cut by 4 per cent.

Moreover, inflationary pressures have already started to emerge in the first three months of 1980. The committee estimated that by April the consumer price index would already be showing a 7 per cent rise above the 1979 level. The trade union confederation anticipated a 7 per cent rise in prices between 1979 and 1980 when putting in its bid for a 12 per cent incomes improvement.

It is evident that it will be very difficult both to restore Norwegians' take-home pay and to make further progress this year in adjusting the competitive position of Norwegian industry. It is also evident that although the union leaders recognise the dilemma, there is strong pressure on the Government to make tax cuts or take other fiscal measures facilitating a moderate incomes settlement.

But in 1974 and 1976 Government intervention of this type, then justified by the need to maintain domestic economic activity and employment during an international recession, was instrumental in over-heating the economy and finally compelling the Government to reverse its economic policy in 1978. Moreover, it would conflict with the advice of the Government's own economists and the OECD to tighten fiscal policy.

The OECD stated explicitly in its annual review of the Norwegian economy published in January that "in order to achieve satisfactory price and cost developments it is important that the expansionary impact of any measure taken to obtain moderate wage settlements should be offset by, for instance, expenditure cuts or other appropriate measures."

In the 1980 budget the Government has only partially responded to this advice. Indeed its spending programme prompted Mr. Knut Getz Wold, governor of the Bank of Norway, to protest. A further expansion in Government spending would be highly controversial and inconsistent with its own stated intentions.

BASIC STATISTICS

Area:	118,914 sq. miles 307,988 sq. km.
Population (1978):	4.06m
GNP (1978):	NKr 202.5bn
Per capita:	NKr 49,874
Imports (1978).	NKr 59.9bn
Exports (1978):	NK 52.6bn
Imports from UK (1979):	£7,68.8m
Exports to UK (1979):	£1,327.2m
Curency:	£=NKr 11.06

The Government's net borrowing requirement, including the loan transactions of the State-owned banks, increased from under NKr 4bn to around NKr 16bn in both 1978 and 1979. This year the requirement is expected to be NKr 11bn but the reduction is less than convincing in view of the budgeted increase from NKr 6.3bn to NKr 11.7bn in the State revenue from oil taxes and royalties. In fact the latest estimate accompanying the Finance Ministry's proposed increases in oil taxes puts the State oil revenue at NKr 22.6bn, although payment of the higher taxes will extend into 1981.

Both the Governor and the OECD have underlined the harmful effect on monetary policy of the Government's expansive fiscal policy. Government borrowing from the Bank of Norway has stimulated the growth in the money supply (14 per cent in M3 in 1979) and forced the bank to recover liquidity from the banking system by a tight credit policy which in turn has a deleterious effect on resource allocation.

All these considerations highlight the need for restraint this year both by the unions and other organisations negotiating incomes and by the Government in responding to income demands, if the gains made by the wage and prices freeze are to be consolidated and not frittered away. Their response should be apparent within the next month.

Other indicators repeat the pattern of a growth-promoting oil economy and a "mainland" economy which has trouble in adjusting to its influence. Thus on the positive side oil exports have contributed to a dramatic change in the current account balance.

From a deficit in 1977 of NKr 26.3bn, equal to 14 per cent of Gross Domestic Product (GDP), the current balance moved to a NKr 11bn deficit in 1978 and a deficit of NKr 5.6bn last year, equal to 2.4 per cent of GDP. Fluctuating oil prices and uncertainty about the strength of demand from other export markets have led to varying forecasts for 1980 but all point to a substantial current account surplus.

Performance

The trade deficit on "traditional" goods—that is, excluding oil, gas, oil platforms and ships—was NKr 23.5bn, slightly higher than in 1978. But the result disguises a real improvement in the performance of non-oil industry. In 1974-77 Norwegian manufacturers lost market shares fast both abroad and at home but in the last two years they have succeeded in regaining ground. This is particularly true of the aluminium and ferro-alloy exporters and even of the pulp and paper mills. However, the Central Bureau of Statistics appraises the improvement in manufacturing industry's export performance cautiously. It may have been due to stockbuilding of goods which are sensitive to cyclical fluctuations by foreign importers, the Bureau suggests. It adds that industry's competitive position may not yet be strong enough to recapture the lost market shares.

Norway's net foreign debt reached a huge NKr 105bn, or 45 per cent of GDP, by the end of 1979 and will entail net interest and transfer payments of around NKr 14bn this year. The rolling over of the loans at higher international interest rates will increase interest outlays over the next few years.

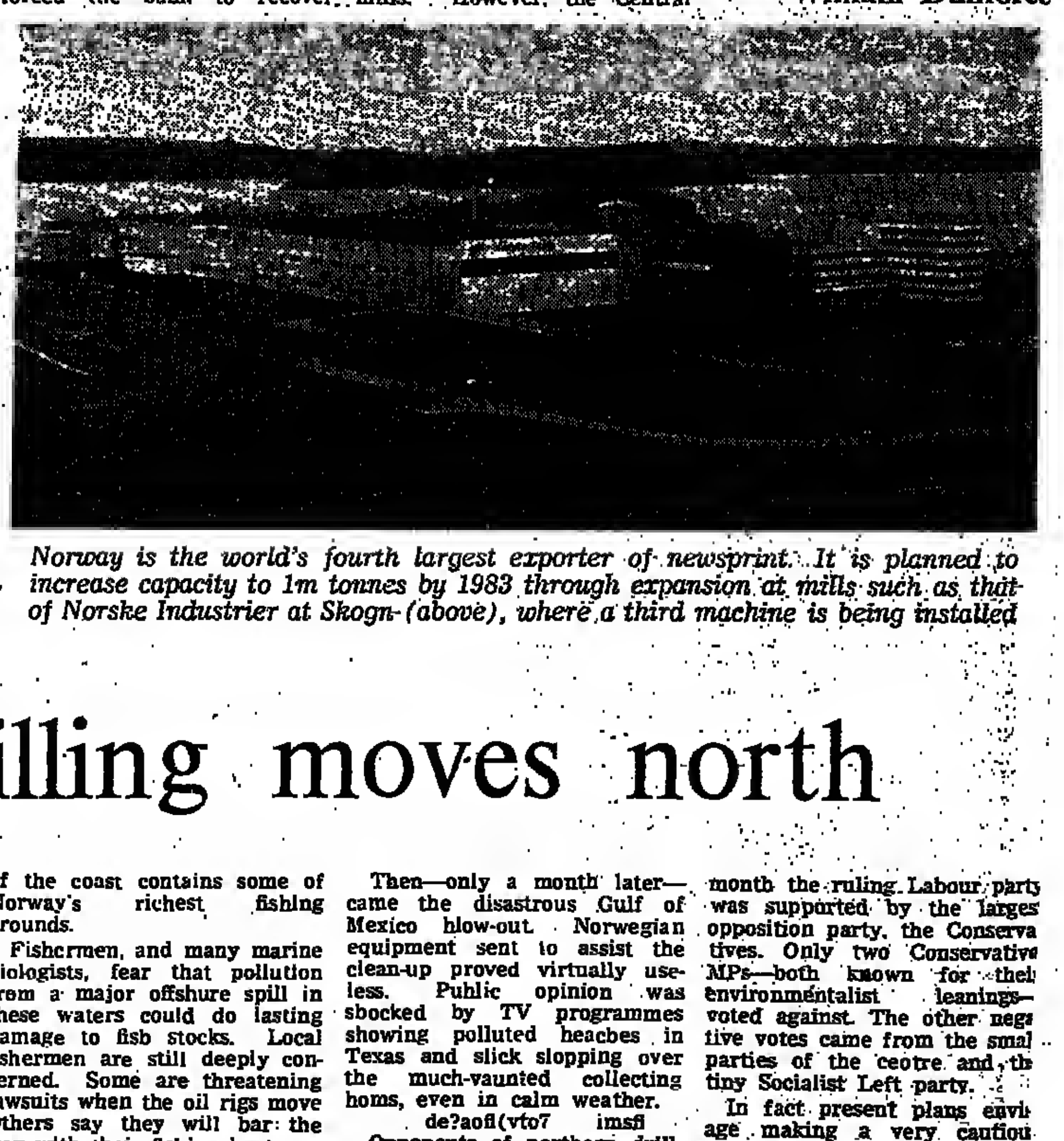
This adds weight to the OECD advice that Norway should use its growing oil revenues in the first place to reduce the foreign debt, a course which would also limit the amount of oil income available to stoke up the domestic economy and force further painful adjustments on existing industry.

Most forecasters anticipate a considerable growth in domestic demand this year, stimulated by a recovery in investments and public sector spending. The extent of growth will be influenced by the incomes settlement, as will that of private consumption, which rose by only 0.5 per cent last year after declining in 1978.

Although private consumption is expected to accelerate this year, it is still difficult to judge its growth rate. Private savings increased sharply in 1978 and 1979 and households are unusually "liquid." But interest rates are also high.

The national budget and OECD concur in predicting a GDP growth of around 4 per cent, slightly more than in 1979. But it must be stressed again that forecasters are tentative.

William Dullforce



Norway is the world's fourth largest exporter of newsprint. It is planned to increase capacity to 1m tonnes by 1983 through expansion at mills such as that of Norske Industrier at Skogn (above), where a third machine is being installed

Offshore drilling moves north

THE CURRENT year looked like being an eventful one for Norway's offshore oil and gas industry even before last month's disaster at the hotel rig Alexander Keilland. Drilling was scheduled to begin north of the 62nd parallel for the first time in the industry's history, in the teeth of bitter opposition from fishermen and ecologists. Early this month it looked as if renewed doubts about offshore safety—a result of the accident—might force yet another postponement of the move north. If the Government sticks to its plan, however, the first wells will be sunk next month—two off the Arctic town of Hammerfest and one off Troendelag County in central Norway.

South of the parallel, development applications are expected for several small fields which have become economically attractive because of the rise in oil and gas prices. Building work is continuing on the second platform for the giant Anglo-Norwegian Statfjord field, which came on stream in December, and a third platform order is in the offing. Another large new oil field, the so-called "golden block" (34/10), will probably be declared commercial and a start made on planning its development.

Meanwhile, oil and/or gas is already flowing from nine of 12 Norwegian sector fields for which development decisions have been taken, and exploration is going ahead actively on old and new concessions. At mid-March 11 rigs were drilling exploration or appraisal wells on a total of 10 Norwegian blocks, including three of the eight fourth round blocks awarded in April last year.

Shell was sinking a second well on its block 31/2, believed to contain the largest gas field yet found in the North Sea. Seismic tests indicate that the field extends into three neighbouring blocks—31/2, 31/5 and 31/6. Oil Minister Bjartmar Gjerde warned some time ago that these three would go to Norwegian interests only — either to the state oil company Statoil alone or to Statoil in partnership with Norway's other two companies, Norsk Hydro and Saga.

The results of exploration this year will help the Government to make up its mind about the route and extent of a gas-gathering pipeline to tap existing and anticipated finds on the southern part of Norway's shelf. A decision on this is expected early in 1981. It will almost certainly be the most expensive single project in Norway's industrial history, costing something in the region of $10bn at 1979 prices. Prospective customers may well, however, help out with financing.

Gas companies on the Continent have so far been the keenest bidders for unallocated Norwegian supplies, but Britain and Sweden are also interested. Lately, moreover, the Norwegians have revived the idea of a spur to take at least some Norwegian gas to Norway itself. Last month, the Oil and Energy Ministry asked the companies developing Statfjord to report on the feasibility of a line to take Statfjord gas to Norway. It would not be for household use: the country has no distribution network for household gas.

Norwegian companies involved in petrochemicals (Statoil, Norsk Hydro, Saga and Dyno) are, however, interested in using the gas to produce methanol—a product for which demand is expected to increase sharply over the next decade. The chemical can be used, among other things, as a motor fuel mixed with petrol.

Arctic

The most controversial development this year is the opening up of Norway's northern waters to exploration drilling on three of the 26 blocks offered in the fifth licensing round. Until now drilling has been permitted only south of the 62nd parallel. This is partly because of the greater difficulty of operating in the deeper, stormier waters around the Arctic Circle, and partly because the northern part of the coast contains some of Norway's richest fishing grounds.

Fishermen, and many marine biologists, fear that pollution from a major offshore spill in these waters could do lasting damage to fish stocks. Local fishermen are still deeply concerned. Some are threatening lawsuits when the oil rigs move. Others say they will bar the way with their fishing boats.

Pollution worries have long delayed the move north. Drilling in northern waters was to have started in 1978 but was postponed after the 1977 Ekofisk blow-out to allow time to improve preparedness. The Government ordered Statoil to draw up contingency plans and to buy large quantities of containing booms and skimers to handle oil slick, to be stockpiled in the north. The plans look impresive on paper and helped secure a large majority for a 1980 start-up when the issue was debated by the Storting (Parliament) in May last year.

Then—only a month later—came the disastrous Gulf of Mexico blow-out. Norwegian equipment sent to assist the clean-up proved virtually useless. Public opinion was shocked by TV programmes showing polluted beaches in Texas and slick slopping over the much-vaunted collecting booms, even in calm weather.

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Opponents of northern drilling demanded yet another White Paper on safety precautions, and yet another Storting debate.

The Government agreed, but despite continuing popular scepticism—reflected in opinion polls—the MPs confirmed their earlier decision. They accepted the Government's argument that the pollution risk was "acceptable" and that a start must be made in mapping resources north of the parallel—an area which represents at least 85 per cent of Norway's continental shelf. In a 76 to 26 vote, last month the ruling Labour party was supported by the largest opposition party, the Conservatives. Only two Conservative MPs—both known for their environmentalist leanings—voted against. The other negative votes came from the small parties of the centre and the tiny Socialist Left party.

In fact present plans envisage making a very cautious start up north. After last year's Storting vote the Oil Ministry invited oil company applications for 26 blocks north of 62—20 offshore Troms West Finnmark and six on the Haltenbanken fishing grounds, off Trondelag County. The Ministry received applications from 27 oil companies and at first indicated that it would allocate eight of the blocks early in 1980, though drilling would not be allowed on all of these the first year.

Now it is clear that only three are to be awarded for the time being. Each will have a Norwegian company as opera

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Controversy surrounds energy policy

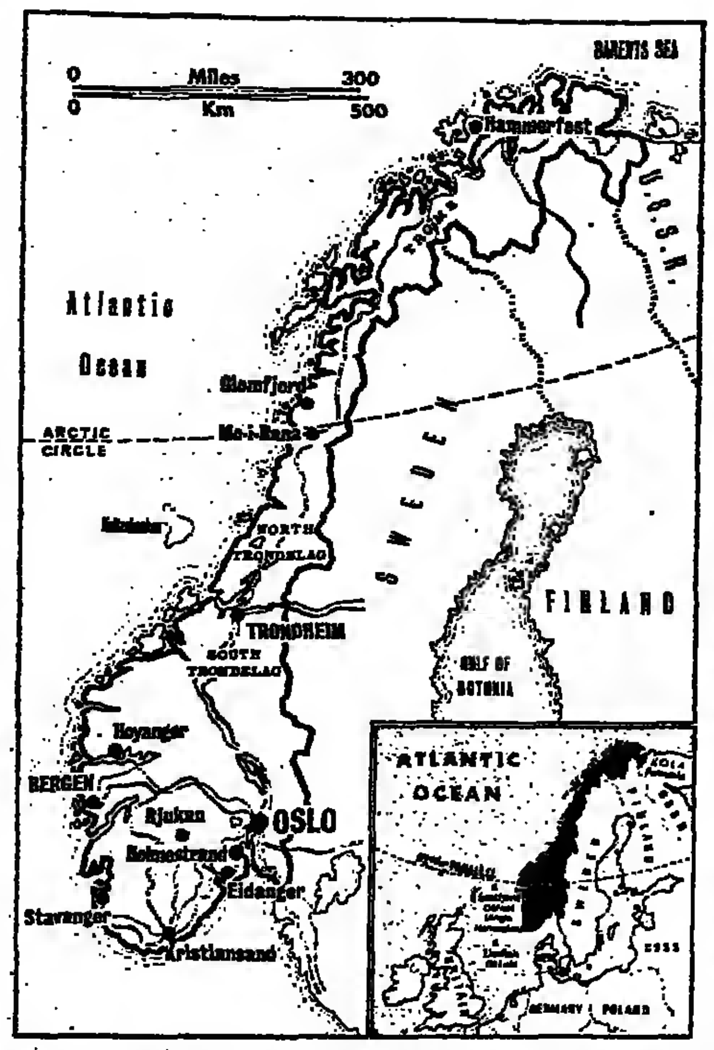
IN AN energy-scarce era, Norway is one of the world's luckiest nations. It uses nnly two fuels—oil and hydro-electricity—for almost all its energy needs, and for the time being it has an exportable surplus of both. Energy policy continnes, however, to be a source of much controversy among Norwegians. The arguments focus on both the pace at which remaining resources should be developed and the price domestic consumers shonld have to pay for them.

This year already, the Labonr Government has published White Papers setting out policy guidelines for both offshore oil and gas and for energy generally, particularly hydro-electric power. The general drift of both is that a "moderate" pace of resource development will be pursued and that prices to domestie users must continue rising so as to encourage the most economical nse of resources.

To take hydrocarbons first, the oil policy White Paper, tabled in February, recalls that some years ago the Storting (Parliament) defined a "moderate" depletion rate as 90m tonnes of oil eqnivalent (t.o.e.) annnally. While not expllcitly promising to bold production within this ceiling, the White Paper says the Government intends to stick to a moderate rate of extraction. It adds, a little ambiguously, that it continnes to regard 90m t.o.e. per year as "an illustration of a moderate pace."

In fact production during most of the 1980s—mainly from fields for which development decisions have already been taken—probably will not exceed 50/60m t.o.e. per year. Only towarda the end of the decade could it reach 70m, and during the 1990s likely output is seen at somewhere between this figure and the 90m ceiling.

Norway's two largest political parties—Labour and Conservative—still accept the 90m t.o.e. ceiling as "moderate." But the tiny Socialist Left Party, and the small conservitionist-minded parties in the political centre, favour a lower figure—around 50m t.o.e. annually.



Ceiling

Quite apart from ecological worries, there is an economic argument for lowering the ceiling. The value of 90m tonnes of oil is now about ten times what it was at the start of the 1970s, when the number was first picked out of the political hat. The impact of oil revennes on the economy, when the oil and gas are flowing at peak, will thus be correspondingly greater.

This point was made recently by a prominent Norwegian economist in a TV debate about the dangers of economic overheating as a result of steeply rising oil income. Mr. Odd Aukrust, research director at the official Central Bureau of Statistics, suggested that the most profitable way of investing Norway's hydrocarbon resources would be to leave more of them under the sea bed for the time being.

Critics of the Government's depletion policy point out that while nther oil prodncers are cutting back production, as oil prices soar, Norway ia still aiming to more than double output from last year's figura (just nnder 40m t.o.e.).

On hydrocarbon prices the Government's views are clear. The energy White Paper says they should continue to follow world market levels, even tbough Norway is now a net exporter of oil. Other oil-producing conntries which have kept domestic prices low have found that this leads to correspondingly higher consumption and increased difficulty in stimulating development of alternative energy forms, the White Paper notes.

Early in the 1970s Government policy favoured supplying some North Sea hydrocarbons to domestic users at below world prices if this would encourage the development of new industry. The decision to build a petrochemical complex at Rafnes, in eastern Norway, was taken solely because the partners in the project (Norsk Hydro, Statoil and Saga) were promised long-term supplies of NGL feedstock at bargain prices from Norway's Ekofisk field.

Economists have stated the Rafnes scheme as involving concealed subsidies to the companies concerned at the expense of the community generally. Interestingly, the Government now seems to have accepted the "concealed subsidy" argument. The oil White Paper discusses the desirability of securing hydrocarbon feedstock supplies for Norwegian industry "in cases where there is a basis for such industrial activity in Norway." But it adds: "These should be made available at a price that reflects the value of these supplies to the country as a whole. In practice this will normally mean at world market prices."

This sentence in the White Paper has drawn no protests so far from the companies that are significant users of hydrocarbons from Norway's sector of the North Sea. It would appear, however, to herald a real change in policy.

The motoring organisations, on the other hand, continue to csmpaign for cheap petrol, and some industrialists say Norwegian factories should benefit from cheap fuel oil now that Norway is a petroleum producer, just as the important electro industries (chemicals, metals smelting) benefit from Norway's cheap hydro-electric power.

If the Government sticks to the policy proclaimed in its energy White Paper, however, ultra-cheap hydro-power for Norwegian factories will soon be a thing of the past. The document favours raising prices gradually over the next few years until they match the cost of putting additional electricity into the grid—the so-called "long-term marginal cost."

For Norway this is a new pricing strategy. To date electricity charges have been based on the cost of production from existing plants, and in consequence have varied widely from one district to another. Older facilities, whose capital costs were virtually written off, could naturally produce far more cheaply than newer plants. To some extent the Government has in the past used taxes and subsidies to even out regional price differences. It will continue doing this in future but rates to all consumers will rise steeply.

Because the power-using industries get their supplies so cheaply they face the steepest rise—about 300 per cent. Ordinary consumers will have to pay about 60 per cent more. Spokesmen for the big power users have protested that the increases could put them out of business. Since many of their plants are located in districts where there is little alternative employment, this would create serious problems. The Government intends, however, to introduce the higher rates gradually, giving the iodustries time to adapt.

Moreover, schemes will be set up enabling companies to sell to the state power authority—at the new higher price—any part of their cheap electricity allocation which they find they can do without. This will help make it profitable for the factories to install new smelting equipment which can produce more with less power.

Norwegian conservationists heartily endorse the decision to raise power prices. They have argued for years that low prices only encourage wasteful use. The nature-lovers are angry, however, about the Government's plans to develop more hydro-power.

While it recommends building a few oil or coal-fired plants in the 1980s, mainly to cope with periods of low rainfall or peak demand, the energy White Paper says that new hydro schemes must remain the chief source of additional electricity supplies during the decade. It claims that the Government's plans—which ban development of some river systems on conservationist grounds—represent a compromise between the conflicting claims of conservation and economic growth. They envisage investing some NKr 40bn ($8bn) to raise total generating capacity to 105 TWh (1 Terrawatt hour=1bn kWh) annually, by 1990, from some 85 TWh at present. The plans are based on demand forecasts which assume small to moderate economic growth over the next 10 years—2.6 per cent annually in the first half of the period and 3.5 per cent in the second half.

The Norwegian Nature Protection Society says the development programme is "a declaration of war on the conservationist movement." It intends to produce a "conservationists White Paper" soon showing that the consumption forecasts are unrealistically high and the hydro development schemes therefore excessive. Most of Norway's remaining river systems could be left undisturbed, the Society claims, if the Government would give more encouragement to energy saving and the use of alternative energy forms.

The official view is that sun, wind, wave and bioenergy will make no significant contribution to supplies for at least a decade. Nuclear power is dismissed as probably unncessary for Norway "on this side of the year 2000." The White Paper does promise, though, that energy saving will be "an increasingly important element" in Norwegian planning. Government money will fund research into ways of saving energy and building regulations will be revised to promote higher standards of insulation. To encourage a switch to less energy-intensive transport forms, both subsidies and taxes will be used.

Fay Gjester
Oslo Correspondent

Drilling

CONTINUED FROM PREVIOUS PAGE

tor—Saga on the Haltenbanken block and Statoil and Norsk Hydro on the two off Finnmark. The Norwegian operators will have technical help from three international companies—Saga from Elf, Statoil from Esso and Norsk Hydro from Conoco. Minority stakes are held by four other foreign companies—Deminex, Volvo, Hispanoil and Amoco.

Drilling is to be allowed in the summer months only, when the weather is less boisterous and there is almost round-the-clock daylight. This would make it easier to cope with a blow-out. Scientists point out, though, that the summer—when biological activity peaks—is the period when a spill would do the most damage to marine life.

Even if a find should be made, the Government does not have to sanction its early development. Fifth round licensing terms include a clause which allows postponement of development for an unspecified period, and the Government need give no reason for the postponement. When production does start, the authorities have the right to control the rate of depletion.

With the level of activity envisaged in the north during the first few years (six to seven wells per year), it would take about 30-35 years to drill as many wells as have already been sunk south of the 62nd parallel. The Government intends, therefore, to review the level of activity above the parallel once some experience has been gained. Official policy is now to regard Norway's shelf north and south of the line as a single entity for the purpose of offering and allocating blocks.

—Rising oil prices have increase Norway's freedom of action offshore in two important ways. First—and despite a recent tightening of tax rules—the higher prices have probably increased oil compaoy interest in Norwegian acreage and made the companies more willing to accept tougher concession terms. Secondly, the higher revenues have made it less urgent—from a purely financial point of view—to bring new finds on stream.

Recent price increases, coupled with the more stringent tax regime annonnced last month will boost revenues from producing fields to an estimated NKr 22bn ($4.4bn) this year, compared with the NKr 11.6bn foreseen in the budget for 1980, tabled only last October. Finds already in production, plus those scheduled for developement, will by themselves ensure output of between 50-60m tonnes of oil equivalent (t.o.e.) yearly over this decade. From around 190 onwards, however, production will start to fall steeply unless development decisions are taken.

A long-awaited White Paper on oil policy, tabled in March, indicated that the Government intends to aim at an annual depletion rate in the 1990s somewhere between 70m t.o.e and the official "ceiling" of 90m. To achieve this, plans will have to be made in the first half of the 1980s for fields that are to come on stream in the second half of the decade and the early 1990s.

Since several of the most recent discoveries have been gas fields, their development will depend on the construction of the gas-gathering pipeline mentioned earlier. The Government stresses the importance of designing a flexible linked system rather than a piecemeal sector-by-sector system.

The White Paper, the first for five years to survey Norwegian oil and gas activity generally, devotes a chapter apiece to outlining the Government's thinking on concessions, development strategy and marketing of oil and gas. The keynote of all three is the steady move towards increased Norwegian participation and control over the offshore industry and its prodncts.

Spending

Also included is a chapter dealing with the likely economic impact of offshore activities over the next 15-20 years. When oil and gas production has reached 70/90m t.o.e annually, as it could between 1985 and 1995, Oil Ministry experts predict that it will account for 20/25 per cent of the Gross National Pro- Norway's total exports. Spending by the industry on exploration, development and production will have reached around NKr 13/21bn per year (at 1979 values) and production could be worth around NKr 100/125bn annually by the mid-1990s, making annual revenues to the State between NKr 45bn and NKr 60bn.

The figures are necessarily very rough estimates because they are based on a number of other assumptions and estimates which in some cases are already oot-of-date. For example, they assume no change in Norway's oil taxation system (just revised), an oil price of only $30 per barrel and unchanged rates of exchange for the U.S. dollar. But rough as they are, they give an idea of the dominating role which oil and gas will play in Norway's economy within the next 10 to 15 years.

On concession policy, the White Paper indicates that the arrangement reached on the "gold block" will set the pattern for future Norwegian licensing where possible. Stakes in 34/10 are held only by Norwegian companies (Statoil, Norsk Hydro and Saga), with Esso providing technical expertise on a consultancy basis.

Oil Ministry sources stress, however, that the document heralds no sudden dramatic change in Norwegian concession policy. They point out that the "Norwegianisation" trend has been steady since the start of Norway's history as an oil nation—and so has th etrend towards an increasing role for the State. Increased State participation and control is being achieved both through Statoil (100 per cent State-owned) and Norsk Hydro (52 per cent State-owned).

The White Paper says that the Government wants State control over as large a share of total production as possible. To this end, prodnction levies will continue to be collected in oil rather than cash, and the Government proposes that the oil companies should no longer be given the right to buy back oil from Statoil if its share of production should increase as a result of the sliding scale clause being applied.

In general Statoil will market its supplies of oil and gas on a business basis to yield the highest possible profit. The Government regards the Nordic countries, the rest of Western Europe and the U.S. as the most "natural" markets for Norwegian oil.

Fay Gjester

NORWAY IV

Paper and pulp capacity boosted

THE NORWEGIAN pulp and paper mills tend to be overshadowed by the larger Swedish and Finnish industries but Norway pioneered mechanical pulp making in the 1860s and is still the world's fourth largest exporter of newsprint. The industry has been drastically restructured over the past 20 years, the process speeding up in the 1970s when the failure of British newsprint manufacturers led to the disappearance of several small Norwegian pulp mills.

The Norwegian companies share the high wood and labour costs of their Nordic neighbours but have so far continued to enjoy the advantage of the relatively cheap energy provided by Norway's abundant waterfalls. This has induced them to invest heavily over the past decade in the more power-consuming products such as thermo-mechanical pulp and wood-containing printing papers.

The recent Government White Paper on energy poses a threat to this strategy by recommending that the price of electricity, including that produced by the mills' own power plants, be fixed at the long-term marginal cost of producing new power. This would double the cost of electricity for the mills from 6 ore to 12 ore per kWh.

The recommendation is described as "pure nonsense" by Mr. Arild Holland, managing director of the Norwegian Pulp and Paper Association, which will join the aluminium and ferro-alloy industries in opposing any attempt to turn the recommendation into law. It is difficult to envisage how the Norwegian mills could remain competitive if the White Paper's proposals were applied.

The industry currently contributes some 7 per cent of all Norwegian non-oil exports, a share which is considerably lower than it used to achieve in the 1950s or even the 1960s. But it employs directly some 14,000 people and the investments now being made will substantially increase its capacity.

Newsprint capacity, for instance, is planned to reach 1m tonnes a year by 1983 compared with the 650,000 tonnes available in 1978, while the start-up of the new Tofte bleached sulphate pulp mill later this year should raise market pulp output by 100,000 tonnes. Newsprint will account for about 60 per cent of total paper production, with other printing and writing papers contributing the major part of the remainder.

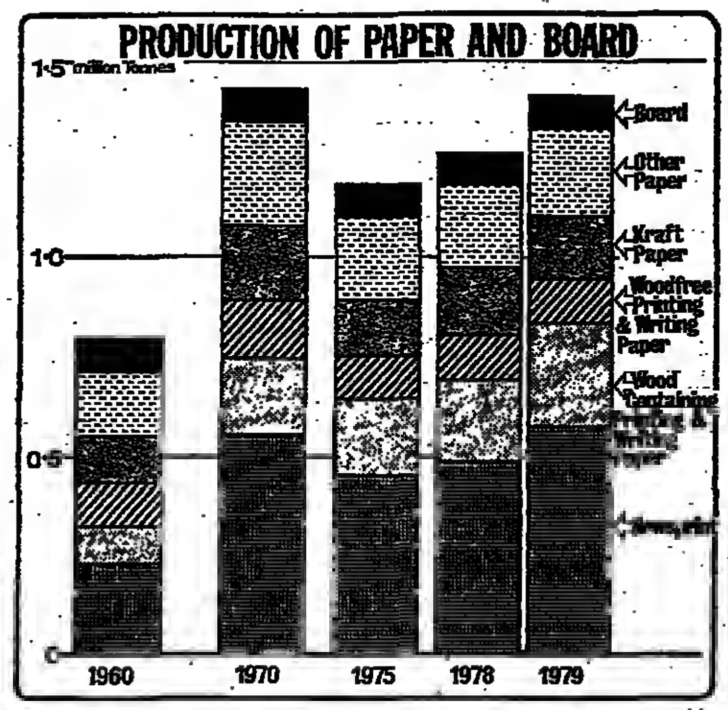
Strong

The Norwegian mills benefited last year from the strong European demand for pulp and paper and from the increases in prices. Paper and board output reached 1.4m tonnes, the highest since 1974, with exports just nudging ahead of the 1m tonnes mark.

Norway is not a major supplier of pulp to the market and exports of mechanical pulp at 242,700 tonnes have remained more or less unchanged for the past three years. The mills' total export earnings, pulp, paper and board combined, came out at just under NKr 3.5bn (£312m, $685m), an advance of over 19 per cent.

Britain remains the major customer, taking 245,000 tonnes of paper and board from Norway last year. However, West Germany bought only slightly less than the 139,000 tonnes of Norwegian newsprint sold to Britain. The EEC countries as a whole took two-thirds of Norway's paper and board exports but the Norwegians have been finding new markets in Asia and the Pacific region.

The Norwegian pulp and paper companies did well in 1979—with the exception of Union Bruk which experienced running-in problems with a NKr 620m investment in a new



newsprint machine and pulp mill at Skien. The other major companies all reported increases in turnover and earnings, however, and managements anticipate another good profit year in 1980.

Nevertheless, there is a universal complaint within the industry that the return on capital invested is still not high enough. Although newsprint came through the recent recession in the paper trade more buoyantly than most other products, the mills' earnings have been depressed over the past decade by high wood prices and the climb in labour costs, which caused the Government to clap on the 15-month price and wage freeze in the autumn of 1978.

The sharpening in anti-pollution regulations in the 1970s is estimated to have involved the mills in investments totalling NKr 1.1bn, of which only a small proportion was met by Government grants. A large part of these investments have had to be financed by loans which, combined with the effect on profits of the post-1975 recession, have reduced the companies' equity gearing.

Mr. Holland recently calculated that the ratio of equity to debt within the industry sank from 29 per cent at the end of 1972 to 19.6 per cent four years later and it must have plummeted further in the ensuing two years. Thus the improved earnings achieved last year were badly needed and the deteriorating financial solidity of the companies has been a cause of concern during a period when they have had to invest heavily in restructuring and modernisation.

The big new bleached sulphate mill, Tofte, under construction at Hurum, a lynchpin in the re-organisation of the Norwegian pulp and paper industry, illustrates the situation nicely. It replaces a smaller sulphite pulp mill which had to be closed for environmental reasons and reduced profitability. It has become an ambitious NKr 1.6bn project to meet the sulphite pulp needs of the paper and board mills.

The private companies could not have met the cost on their own. After protracted negotiations the State put in 26 per cent of the share capital with Norske Skogindustrier taking a half share and the Follum, Union and Saugbrugsforeningen companies 8 per cent each. When it goes into operation in July Tofte will have a capacity of 250,000 tonnes of sulphate pulp a year, enough to meet its owners' requirements and leave some 100,000 tonnes over for sale on the market.

Characteristic of Tofte is the emphasis on pollution control and resource recovery. That part of the wood raw material which cannot be used to make pulp will be exploited as fuel for the plant. The bark and residue used in this way will amount to some 600,000 cubic metres a year, equivalent to 200,000 tonnes of oil, which at current prices represents a saving of about NKr 175m.

Borregaard has adopted a different approach. Mr. Oddmund Sorhuus, its managing director, argues that future pulp and paper production in Norway must be of a kind that can survive in an "oil economy." Newsprint and magazine papers with their large energy consumption and low labour input meet this recipe but Borregaard with a production capacity of 150,000 tonnes of bleached sulphite pulp has had to look elsewhere.

It is reducing its interest in the industry, partly as a result of the political difficulties it ran into with its eucalyptus pulp operation in Brazil but also as deliberate policy to emphasise its chemicals know-how. Thus it is solving its pollution problem by converting the lye from its sulphite production into lignin products, such as additives for the mud used in drilling for oil in the North Sea.

The Norwegian pulp and paper industry remains largely in private hands. Apart from its minority share in Tofte the State has a similar minority holding in Union, which it bought during the last war, and one mechanical pulp mill is owned by a local authority. The largest company, Norske Skogindustrier, is owned by the forest owner associations.

Norske Skog is one of the companies which has concentrated on newsprint production. It is in process of installing its third machine ready for start-up in 1981. Follum, which brought a new newsprint machine into production in 1976, plans to have a further machine operating by 1981. All the Norwegian newsprint mills are integrated with groundwood mills.

Saugbrugsforeningen has specialised in magazine paper and has a capacity of about 170,000 tonnes a year with plans for an increase to 250,000 tonnes. Follum and Hunsfors also make magazine paper, while several mills produce other mechanical printing papers.

One further restraint on the health of the Norwegian pulp and paper industry must be mentioned. The Norwegian mills own only about 6 per cent of the national forests, a much smaller percentage than that owned by the Swedish mills. They are thus almost entirely dependent on forest owners.

In theory the annual growth of the Norwegian forests would more than meet the requirements of both the pulp and paper and the saw mills, but felling have consistently fallen short of demand. The principel reason would seem to be that the increase in farmers' incomes legislated by the Labour Government in recent years, coupled with high taxation, has curbed farmers' incentives to sell their timber.

Mr. Holland has estimated that the normal timber requirements of the pulp, paper and saw mills are roughly 11m solid cubic metres a year. That is almost 4.5m more than the average annual fellings in the past two years. Norway has had to import timber from Sweden but last year with the Swedish mills running at capacity exports to Norway were cut by about two-thirds.

The Norwegian mills have now joined to form their own import company, Norges Virkesimport, and are negotiating for the building of a ship to freight timber on a regular basis from the U.S.

W.D.

Oil crisis provides brief respite for tankers

THE LONG rows of mothballed supertankers which filled so many Norwegian fjords at the height of the 1975/78 world shipping crisis almost vanished during the course of last year. With the nations of the West hastening to fill their storage tanks before oil prices rose further, there was an upswing in demand for tanker tonnage. At the same time soaring prices for bunker fuel led owners to operate their ships at reduced speed—the so-called "slow steaming"—thus reducing the supply. Freight rates improved, though those paid for the largest ships were still only enough to cover operating expenses, leaving little over for interest charges and depreciation.

The trend was particularly welcome in Norway, where oil tankers—mostly large ones——account for 55 per cent of the fleet by tonnage. The rise in freight rates also boosted second-hand values, thus radically improving many companies' balance sheets.

By the time the improvement came, however, the crisis had taken a heavy toll of Norway's shipping community. The Norwegian share of the world fleet had dropped to 5.4 per cent compared with its peak of over 10 per cent in 1968. In absolute terms the fleet had shrunk considerably as a result of sales to foreign owners, mostly concluded when second-hand values were at their lowest. From a maximum of over 27m grt in January 1977 the fleet fell to only 21.1m grt in January this year.

Altogether Norwegian owners sold nearly 340 ships in the period 1974-79 for a total of about $1bn (though in the same period 125 new ships were added to the fleet). At today's higher values those same ships would fetch around $1.5bn. About 40 companies had to sell all their ships, and ownership became concentrated in fewer hands. The country's ten largest shipping companies now own 50 per cent of the fleet compared with only 43 per cent before the crisis.

The shake-out and the move towards fewer but larger companies has probably increased the industry's ability to compete on the world market, where it sells most of its services. Well over 90 per cent of Norway's fleet is engaged in cross-trading between third countries. It is a modern fleet by international standards; 85 per cent is under 10 years old compared with only 62 per cent for the world fleet.

Designed

Though tankers and bulk vessels — including gas and chemical carriers—account for such a large proportion of total tonnage, this is by no means the whole story. Half of Norway's ships by number consist of many different types, designed either for special trades or to carry a certain type of cargo.

Most of these specialised vessels are small compared with the huge tankers, bulk carriers and combination ships, but they account for a large proportion of the 35,000 jobs in the fleet and give it a versatility that is particularly useful in times of crisis. Even when the shipping slump was at its worst demand continued good for some of the special ships such as cruise vessels, ferries and car carriers.

THE MERCHANT FLEET

	Number	'000 grt	'000 dwt
Gas tankers	48	654	728
Chemical tankers	59	710	1,178
Oil tankers	148	12,191	23,961
Combination ships	34	2,282	4,095
Bulk ships	121	3,654	6,228
Ro/Ro and container ships	84	844	1,129
Other dry cargo	240	566	901
Pasesenger ships and ferries	24	377	4
Supply vessels	90	58	97
Total	848	21,336	38,321

Because they sell their services on a world-wide market Norwegian shipowners are among the country's most ardent advocates of free trade. A proposed new petroleum law, with provisions which allegedly increase and extend the protectionist features of existing legislation, was last month sharply criticised by the Norwegian Shipowners Association. The association said Norwegian-owned rigs and supply vessels had clearly demonstrated their competitiveness on the Norwegian Shelf and their owners were not interested in receiving any kind of preferential treatment. A move towards greater protectionism would invite foreign retaliation which could have "extremely unfortunate consequences for Norwegian shipping."

Norwegian seamen are among the best paid in the world. This fact has spurred Norwegian shipping companies to make the best possible use of their expensive labour. They have done so partly by concentrating increasingly on capital-intensive and technology-intensive vessels, and partly by drastically reorganising the way tasks are performed, both on board ship and in shipping company offices ashore.

An important recent development was the conclusion of a new manning agreement between the seamen's union and the shipowners' association, allowing for smaller and more cost-effective crews. A third of a ship's required crew can remain ashore on leave, with the remaining two-thirds actually serving aboard. Watch arrangements will be flexible, varying between two-watch and three-watch systems. Work organisation will also be more flexible.

The agreement with the seamen's union, while it does not provide for cash compensation, does include the following benefits:

- Company employment for the whole crew, with increased job security.
- Yearly wages in which up to 50 hours overtime per month is consolidated.
- Three to four months at sea, followed by one and a half to two months' home leave.

The extent to which the new deal will cut manning costs will vary with operating conditions on different ships. On average the shipowners' association estimates that it should be possible to reduce costs by as much as $100,000 per ship per year.

The world trend towards demanding higher standards for ships and their crews, as a protection against accidents and pollution, is one from which Norway will benefit because of the country's up-to-date fleet and well-trained crews. Norwegians look forward to the day when tougher international rules will eliminate competition from sub-standard ships of the "rusty tub" variety.

Giants

Over the shorter term there are indications that a number of tankers may have to return to lay-up. Rates have been falling this year, and for the largest vessels (ultra-large and very large crude carriers) are no longer enough to cover operating costs. Quite a few of these giants are in fact owned by shipping company creditors, and it is the creditors who will decide whether they should be laid up or go to the breaker's yard. High world interest rates, and the high prices currently being paid for ship scrap, are good arguments for the latter course where older vessels are involved. Five foreign supertankers which were recently sold for scrap fetched a total of $7m. The capital costs of a year's lay-up (loss of interest on the value of the ship) are estimated at around $1.4m, and on top of this come the actual laying-up costs—$1,200/$1,400 per day.

Every tanker that goes to the breakers yard improves the outlook for the rest of the world tanker fleet. Relatively few supertankers have been ordered over the past few years because of the crisis. On the basis of existing contracts only 4.5m dwt of new tankers will be delivered this year, world-wide, and even less subsequently—3.4m dwt in 1981 and thereafter. If the virtual standstill in contracting continues for a few more years, break-up of older ships could bring supertanker supply back into balance with demand by 1983.

F.G.

Metals face threat of higher power costs

THE MANAGERS of Norway's metal and alloy smelters are literally at melting point. The reason is the recent government White Paper on Energy, which contains a recommendation that if applied would double their power costs. For Norsk Hydro, for example, a rigorous application of the recommendation would mean increased costs of around NKr 500m (£44.6m, $97.8m).

Nobody really believes that the Labour Government or the Storting (Parliament) will deliver such a crippling blow to an industry which consumes 30 TWh (1 Terrawatt/hour=1bn kilowatt/hours) of electricity a year and has been built up on the basis of cheap and abundant hydro-electric power. But the profit advances made last year by the aluminium and ferro-alloy producers could in the Government's eyes justify some increase in what they pay for their electricity.

It is a delicate question, for if the Government is genuine about its declared aim of maintaining a conventional industry alongside the oil industry, the power-intensive metal companies already contribute such a large part of Norwegian industrial output that their claim to favourable treatment can scarcely be ignored.

Norway possesses just under 5 per cent of the world's aluminium capacity and over 90 per cent of Norwegian output is exported. The country holds 15 per cent of world ferro-silicon capacity, 13 per cent of silicon metal, 10 per cent of ferro-manganese and about one-seventh of world magnesium capacity. Nearly all this output goes for export.

Norwegian metals last year brought in export earnings of over NKr 6.8bn, of which NKr 3.9bn was contributed by aluminium and NKr 980m by the ferro-silicon smelters. The ferro-alloy plants worked at full capacity, producing some 300,000 tonnes of ferro-silicon, 65,000 tonnes of silicon metal and 500,000 tonnes of ferro-manganese and silicon-manganese.

Primary aluminium output was a record 670,000 tonnes, only just short of the 700,000-tonne capacity. Exports reached 570,000 tonnes, which was 60,000 tonnes less than in 1978 when substantial deliveries were made from stocks.

All the manufacturers had a successful year in 1979. The list prices for primary aluminium in Europe rose by about 23 per cent during the year and the tight market meant that spot prices were higher than list prices for the larger part of the year.

Aardal and Sunndal (ASV), the State-owned aluminium company, which published its own European list prices last year for the first time in an attempt to influence price developments, raised its pre-tax earnings from NKr 16m to NKr 223m and paid the State a dividend of seven per cent. ASV operates three smelters with a confined annual capacity of 330,000 tonnes primary aluminium.

Elkem Spigerverket, the major ferro-alloy producer which also operates two aluminium plants in co-operation with Alcoa, reported preliminary group pre-tax profits of around NKr 250m against NKr 33m in 1978.

Norsk Hydro does not break down its group earnings, but Mr. Odd Narud, the managing director, admits that the aluminium operation is making "nice profits." It has an annual capacity of 115,000 tonnes of primary aluminium but unlike the other Norwegian producers Hydro has concentrated on manufacturing semi-fabricates both at home and abroad.

Forecasts for 1980 vary but with little increase in world aluminium capacity in sight for the next three years the aluminium producers can look forward to another good year.

Mr. Haakon Sundvold, managing director of Aardal og Sunndal, Norway's largest aluminium producer

Currently Norway has 20 companies operating 35 smelters or production plants making metals or alloys. Many of them were built in isolated districts at the end of fjords or along river valleys close to sources of hydro-electric power. Operating with high Norwegian wage and salary rates, long distances to markets and in several cases long transport routes for their raw materials, their only competitive factor has been cheap electricity.

Of the 30 TWh of hydro-electric power they consume annually, the companies themselves own 43 per cent. Adding capital and operating costs, this electricity costs them only 1.5 ore per kWh on average, on top of which they pay a State tax of 2 ore per kWh, giving an average price for their own electricity of 3.5 ore per kWh.

The remaining 57 per cent of their electricity requirements is bought at prices which vary considerably from company to company but average out at about 6.5 ore per kWh including taxes, so that the industry as a whole gets its energy requirements met at an average price of around 5 ore per kWh.

If the recommendation in the White Paper were to be taken seriously, the average price for electricity would rise to 11.5 ore per kWh, which would certainly price the Norwegian metal and alloy manufacturers out of the market. The manufacturers themselves would accept taxes on windfall profits or alternatively argue that they would be able to pay the full cost of new power provided they obtained electricity from existing sources at roughly the cost of production.

One can hardly see the Government pressing the companies to the limit. They employ 21,000 people directly and provide work for some 10,000 more in companies supplying them with their needs. But the Government's final formulation of its energy policy will be crucial for the industry's future.

Available

It is already evident that very little new power will be available for expansion. Norway's current annual electricity capacity is about 80 TWh, which is the amount available in an ordinary dry year and which the hydro-power plants can sell on contract. In rainy years the hydro plants can supply around 100 TWh.

To judge by the White Paper further hydro-power sources can be developed to give 125 TWh but the metal and alloy manufacturers will have to compete for the extra supplies with private consumers—who have electoral votes. In politically realistic terms the manufacturers can expect to enjoy a supply of no more than 31 TWh, or 1 TWh more than at present, for the next five years.

The companies themselves have counted on the eventual availability of around 34-35 TWh but it is by no means sure that this will be in the Government's final plans. ASV is planning a 50,000-tone expansion of aluminium output at its Hoyanger plant and Norsk Hydro has drafted an expansion at Karmoy but it is evident that the industry will have to concentrate on modernising and rationalising existing plants and on trying to turn primary products into semi-fabricates or fabricated parts.

Fabricating has been a declared aim for many years for the aluminium producers but as Mr. Haakon Sandvold, managing director of ASV says, it has so far been "an expensive education." The home market being so small, fabricated products have to be exported and it has been difficult to find products which provide profits at Norway's high unit costs.

Last year, however, ASV reorganised its operations to give greater emphasis to fabricating. It has opened marketing offices in Britain and West Germany and is hoping to concentrate on products which gain advantage from being made close to the metallurgical centre, where manufacturing can start from the liquid metal.

ASV has taken over and reorganised two Swedish aluminium fabricators, linking them with its foundry at Hoyanger and concentrating product development to its plant at Holmestrand. It also co-operates with another State-owned company, Raufoss Ammunisjonsfabrikker, which expanded into aluminium fabricating with an extrusion press in the late 1950s.

In the late 1960s Kongsberg Vaapenfabrikk, another State company, started to make forged and machined aluminium components for Volvo, the Swedish automobile manufacturer, and in the past three years, as the car industry has been turning to lighter metals, the three State companies have concentrated on car components.

These companies last year sold car components worth NKr 377m, an advance of about NKr 100m from 1978. They now have a combined turnover in aluminium components of over NKr 500m.

The Norwegian companies do have an impressive array of components on offer, ranging from Raufoss' bumper systems to ASV's wheels and intake manifolds and Kongberg's brakes for heavy trucks and drive shafts for cars. They now have contracts with Porsche, BMW and the Volkswagen-Audi group in addition to the Swedish car makers.

Some 130,000 tonnes of the 700,000-tonne current Norwegian production capacity of primary aluminium is processed in the country. Mr. Tommeraas believes that if a further 100,000 tonnes could be added to that figure, the Norwegian companies would be doing well. That would add NKr 4bn less the cost of the primary aluminium to their turnover and would provide jobs for some 10,000 people.

W.D.

Industrial output needs fresh stimulus

THE NORWEGIAN Labour Government's economic policy over the past 18 months has concentrated on improving industrial performance. The principal motive adduced for the freeze on incomes and prices imposed in September, 1978 was the need to restore the competitive position of Norwegian industry. An improvement did occur last year but the question whether the Government can establish the framework for a permanent recovery in manufacturing remains wide open.

A White Paper on industry should have been tabled in February together with the White Papers on oil operations and energy but its publication has been delayed until May. It is no secret that the delay results from differences within the Government, principally between the Industry and Finance Ministries, over the extent to which traditional Labour policies can be replaced by a more liberal market economy approach to industrial activity.

In August last year an official committee under the chairmanship of Mr. Finn Lied, a former Industry Minister, reported on Norwegian industry's structural and growth problems. Its recommendations, including proposals for stimulating the stock market, called for far-reaching changes in the Labour Government's attitudes and practices but were widely accepted both by managements and unions. The Government, however, is having trouble in girding itself for action.

Since 1973, when it first formulated its ideas about the impact of North Sea oil on the economy, the Government has stresed the need to retain a viable conventional industry alongside the oil business. It anticipated the problems that would arise for existing industry from the increase in the domestic costs of production prompted by the oil operations. Before it could devise any philosophy to deal with those problems the weakening of the country's traditional export markets in the mid-1970s hurried it into dispensing support finance to industry in order to maintain employment.

After an unfaltering climb throughout the 1960s, accompanied by a steady improvement in productivity, Norway's gross industrial output dipped after 1974 and had actually fallen by five per cent in 1978. A relatively high investment level was maintained during 1977 but capital spending plummeted by about 30 per cent over the next two years—although half of this decline is attributable to the completion of the petrochemical plant at Rafnes.

Government efforts to establish firmer ground for an industrial recovery have included a devaluation of the krone in February 1978, the incomes and prices freeze and the abolition of an investment tax in July last year. The Central Bureau of Statistics estimates that manufacturing output responded with a 2.3 per cent increase last year but it has still not returned to the 1974 level and the outlook for 1980 is uncertain.

The Lied committee's analysis underlined not only the short-term impact of oil revenue expenditure on industry's operating costs but also the long-term influence the cost pressures would have on investment in new plant. Norcem, the cement company, estimated for instance that the cost of building a new mill was 40 per cent higher in Norway than in southern Europe. A new aluminium plant would be 20 per cent more expensive in Norway than anywhere else in Europe.

The main defects listed by the Lied committee included low productivity, too little product development, insufficient attention to marketing among Norwegian managements and the weak financial status of most companies, which suffered from low equity ratios and inadequate liquidity.

To correct the situation the Lied committee suggested it would be better for the Government to concentrate on establishing general conditions for growth in individual concerns rather than on taking selective measures to meet the problems of particular branches. The committee pointed out that the variations in performance among companies in individual sectors were greater than the differences among average sector performances.

More confusion has been injected into the industrial issue by the White Paper on energy, which recommended substantial increases in the price of electricity used by industry. The theoretical arguments in support of this proposal and the reactions to it of the power-consuming sectors are described in other articles in this survey, but it is worth mentioning here that among the few competitive advantages the Lied committee listed for Norwegian industry was low-cost hydro-electric power.

In principle the Government appears to have accepted the recommendation that to promote industrial recovery it must move from selective support to general measures. Mr. Lars Skytoen, the Industry Minister, told an industrial forum recently that Norwegian companies had to be "made more robust. They must be able to retain a larger part of the value they add. Their earnings capacity and capital bases must be reinforced."

This represents a significant change in approach. The post-war growth of Norwegian industry has been directed by the Labour Party, which has measured performance mainly by volume of production and the number of jobs created. To shift emphasis to measures which combine output with earnings capacity, the accumulation of financial assets and reserves and the efficient use of capital requires considerable ideological flexibility.

The evidence is that the party is having trouble in swallowing the changes which the Industry Ministry is seeking. These would include further tax relief on private investment in shares. The party rearguard argues that

W.D.

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A narrow path for U.S. policy

THE SETBACK suffered by the dollar last week was a sharp reminder, were any needed, of how fragile is the success so far attained by the stabilisation policy which has been pursued with such determination for the past six months. It is impossible, of course, to say how far the turning point in what had been a remarkable recovery was due to the intensified crisis over the Iranian hostages, and how far to the easing of interest rates in New York. What is clear is that the revived dollar remains distinctly vulnerable internationally.

Firm

Were the U.S. domestic credit markets better conditioned to the squeeze they are now suffering, this state of affairs would impose no very complicated problems. The U.S. would certainly not be the first country compelled to maintain high interest rates primarily for international reasons. Such a necessity could hardly please President Carter in an election year, but he has so far shown an admirable firmness on this front, and no doubt wishes to maintain it.

However, in the actual situation which the U.S. authorities face, the problem is not so simple. The market was not at all well adapted to the prospect of historically high interest rates. On the contrary, the banking and credit system has been caught in the most uncomfortable possible position, compelled to finance large portfolios of bonds and fixed interest loans at a substantial running loss.

An intense squeeze in highly geared markets can produce very dangerous conditions, as was seen in London in 1973-4. The U.S. authorities are clearly braced for similar problems. The Federal Reserve authorities were actively involved in finding an orderly solution to the crisis over the Hunt silver position, and are now asking for enhanced powers to organise financial rescues.

Credit

The dangers of margin lending in the commodity and securities markets are potentially the most dramatic, but can probably be contained by alert and well-informed central bankers; and developments so far suggest that the regulatory authorities in the U.S. are well equipped for this task. However, at the other end of the financial spectrum there is also a possibility of unusually difficult problems with consumer credit.

Household debt has reached very high levels in relation to income, a combined result of aggressive (and imprudent) credit selling by the banks, and the growth of multiple-income households. The squeeze has already produced a sharp cut-off in consumer credit, partly as a result of usury laws which make such loans highly unprofitable in many States, and the Fed has drastically tightened the limits of credit available (sometimes interest-free) through credit cards. This simply stops the problem snowballing any further, though. The danger is that if employment drops — a very probable result of an effort to liquidate inventories — some borrowers will be unable to meet their existing commitments.

The corporate sector itself is probably better placed to withstand a squeeze than the most vulnerable financial institutions and consumers, but even here the sharp widening of interest differentials between commercial and government debt is a problem.

Severity

For all these reasons, the U.S. authorities are clearly worried about achieving overkill—a financial crunch rather than an orderly slowdown. A cut in Federal borrowing, which would restrain monetary growth in a much less potentially disruptive way, cannot be quickly achieved under the U.S. constitution. Meanwhile, the availability of foreign credit, financed through the exchange market interventions of foreign central banks supporting their own currencies against the dollar tends to tighten the money in other *countries* and puts dollars back into circulation. Just as monetary growth greatly understated the ease of U.S. credit during the expansion phase, when intervention was in support of the dollar, the tendency is now to understate the restraint being applied.

It is important that these problems should be widely understood, for it would be tragic if the U.S. authorities were pushed into excessive severity by the exchange markets. This would be a danger if necessary support operations were read as a softening of resolve, or if misleading monetary statistics were taken as a measure of achievement. The actual events in the commodity markets, the U.S. real estate market, and the consumer credit market are ample evidence that the squeeze is both real and severe.

The case for a new ILEA

THE TEMPTATION to abolish the Inner London Education Authority is understandable, but the Government should resist it. Reform would be the more prudent course. As successor to the education committee of the former London County Council, the ILEA has been an expensive failure—but the proposed alternative, which is to divide its responsibilities among the 12 inner London boroughs, would almost certainly add to costs without necessarily improving education.

This fundamental objection to the total dismantling of the ILEA is not properly addressed in the report of the special committee of London Conservatives appointed by the Secretary of State for Education, Mr. Mark Carlisle, last November. Working under the chairmanship of Mr. Kenneth Baker, MP, the committee has produced a flimsy report, which hardly does justice to its own cause. Composed of six foolscap pages of assertions, plus a few appendices, the case put forward by Mr. Baker and his colleagues is not accompanied by sufficient evidence to back it up. They should have done more homework.

Shopping list

This is not to say that the ILEA should be retained *in its* present form. As the Baker committee points out, its curious composition leaves it free of direct democratic or accounting responsibility. It is composed of the 35 Inner London members of the Greater London Council, plus 13 representatives from the 12 inner boroughs and the City. It prepares its shopping list each year, and on this basis levies the 12 inner London boroughs through a GLC precept on the rates. Its unit cost per pupil in 1977/78 (the latest year for which the Baker report gives figures) was £631.80, as against £557.30 for the highest outer London borough and £421.50 for Birmingham.

This higher rate of spending does provide more service: at an average of 15.9 pupils per teacher the ILEA puts in more staff than any other area on the Baker committee's list. The comparable figure in Barking, for example, is 17.7, with Birmingham relatively less well tutored at 19.5 (1977/78 figures). It might be argued that this is an inevitable concomitant of the large numbers of relatively hard-to-educate children in inner London, but in the past few years there has been an accumulation of evidence that suggests that low pupil-teacher ratios do not necessarily improve classroom performance. The performance of the ILEA schools has certainly been below national averages: the figures given in the Baker committee report have been challenged by the ILEA itself, but even when the arithmetical in-fighting has been allowed for, it is clear that the ILEA has not taught well.

Lesson

Perhaps one reason for this is that until very recently the ILEA area was one in which some of the more fanciful and less productive notions about what should be taught, and how it should be taught, were allowed full rein. Matters came to a head over the scandal of William Tyndale school. In the past two or three years ILEA inspectors have shown that the lesson of William Tyndale is being learned; some attempt has been made to improve teaching standards.

Such palliatives would not in themselves be sufficient to cure the ills of the ILEA. Its administrative incompetence may be so severe that a special reconstituting Bill is required. Perhaps a joint education committee of the sharing boroughs would be more accountable to the electorate; if not, another such device could be found. It is probable that some form of central financial control is necessary to prevent irresponsible use of the power to levy a *precept*. But at the end of the day, the Government is stuck with the fact that most city areas, here and abroad administer their education through a single authority, for the very good reason that a collation of smaller ones is likely to provide a less good service, at higher cost.

The Budget: MPs take on Howe and the mandarins

BY PETER RIDDELL, *Economics Correspondent*

CYNICS WHO doubt whether Parliament can adequately scrutinise the executive and economic policy should spare an hour or two today to spend in the neo-Gothic splendours of one of the committee rooms of the Palace of Westminster. They will hear the all-party Treasury and Civil Service Committee of the Commons question, first, senior Treasury officials and, then, Sir Geoffrey Howe, the Chancellor, about the Budget and the Government's medium-term financial strategy. They may find the experience surprising.

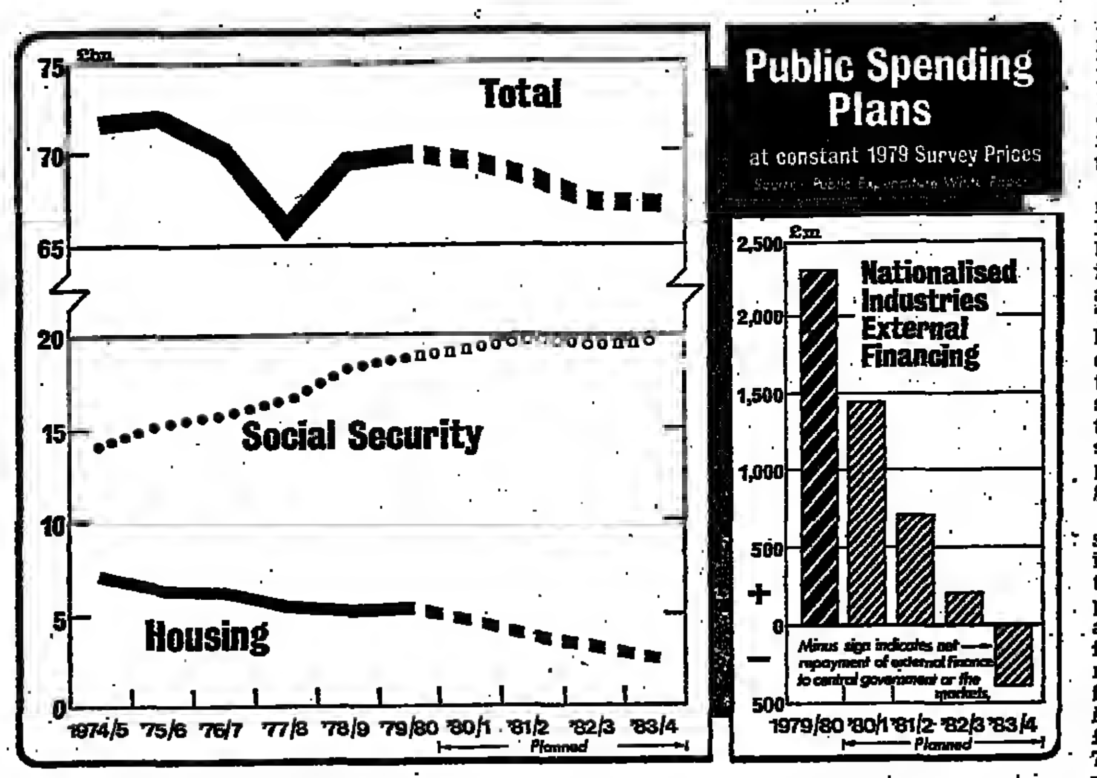
Judging by a preliminary hearing with Treasury officials held just before Easter, a good deal of scepticism is likely to be expressed about some of the key assumptions of the Government's strategy. Indeed, some of the toughest and most persistent questioning then came from Tory MPs on the committee. Officials were pressed for answers on issues *about which* the Chancellor would clearly prefer to remain silent.

In short, the hearings represent an all-too-rare challenge by the legislature to the power of the executive to set the limits of public discussion about economic policy. This is significant for the debate not only about Parliamentary reform but also about economic policy generally.

Six years ago an inquiry into the management of the economy by the old Expenditure Committee was described by one witness as "the best show in town." There is a similar character about the Treasury Committee's hearings though possibly a novelist of English manners and irony like Mr. Anthony Powell is required to capture the full subtlety of the interchanges between the MPs *and the mandarins*.

The mood is friendly but formal. The MPs sit around a horseshoe-shaped table facing the half-dozen Treasury officials with the note-takers sitting in between. The Committee—set up last November along with the other dozen departmentally-related Select Committees—is chaired by Mr. Edward du Cann. Its members include a number of other former ministers such as Mr. Robert Sheldon, Mr. Terence Higgins, Mr. Kenneth Baker and Dr. Jeremy Bray, as well as persistent *questioners* of the executive such as Mr. Michael English and some new MPs. Mr. English provides an important element of continuity with the general sub-committee of the Expenditure Committee, the former watchdog on the Treasury.

Among the Tory MPs and ex-ministers (including at least one unrepentant Heathite) support for the Government's strategy is tempered by scepticism about some of the underlying economic assumptions. The overall impression is a *group of MPs who*—whatever their party differences—are



determined to assert Parliament's right to know. The questioning at the pre-Easter hearing was more penetrating *and better co-ordinated* than in previous committees. This was probably due not only to the experience of the MPs but also to the preparatory briefs submitted by the committee's special advisers.

The advisers were chosen to reflect a wide range of views on economic policy. The broadly monetarist approach is represented by Dr. Alan Budd of the London Business School, a former close colleague of Professor Terry Burns, the Treasury's new chief economic adviser. The traditional neo-Keynesian approach with its emphasis on managing the level of demand in the economy and an incomes policy is represented by Dr. Paul Neild of stockbrokers Phillips and Drew. The other main economic adviser is Mr. Terry Ward, who assisted the old Expenditure Committee. *He is a member of the* Cambridge Economic Policy Group which under Mr. Wynne Godley has become a vocal critic of economic policy under both recent administrations and an advocate of general import controls.

These advisers work mainly by preparing briefing papers and by passing notes to the MPs during the public hearings. An important difference from the practice of the U.S. Congressional committees is that questions are asked solely by the MPs. This limits the scope for dominance by experts and should help to prevent the inquiries being merely an exchange of views between economists. The select committees are, after all, essentially political rather than academic inquiries and it is up to the specialists to make the points *intelligible* to the *MPs*. Some of the MPs on the Treasury Committee occasionally did not appear fully to grasp the points prepared by their advisers, and this can lead to some aimless questioning.

However, the significant feature both of the memoranda from these advisers and of the questioning by MPs is that though the political and economic views differed, doubts about the Government's strategy were common. These have focussed on the two main areas of the underlying economic assumptions and the public expenditure plans.

On the first point the central question is how the economy is supposed to move from recession over the next 18 months—a 2½ per cent fall in output is forecast for 1980—to the path of 1 per cent annual growth in later years assumed, but not forecast, in the medium-term strategy. At the first hearing Mr. Frank Cassell, a Treasury Under-Secretary concerned with medium-term analysis, suggested that a recovery in activity should follow an end to the rundown in stocks, a pick-up in world trade in 1981 and the hoped-for slow-

Make room for tax cuts

The novel feature of the medium-term strategy is the publication of a series of progressively lower targets for the rate of growth of sterling M3, the broadly defined money supply. This is regarded as "essential to the success of any anti-inflationary strategy." The targets are accompanied by what is described as a consistent path for public sector borrowing (as a percentage of Gross Domestic Product at market prices) supported by the plans for public spending and projections for Government revenues (on the assumption of constant tax rates and allowances after adjusting for inflation).

The strategy is intended not only to reduce the rate of inflation but also to allow room for tax cuts after 1982—conveniently before the next election. On the assumption of average output growth of 1 per cent a year after 1980, the strategy says there will be what is coyly described as an "implied fiscal adjustment" of £2½bn in 1982-83 and of £3½bn in 1983-84 (at 1978-79 prices). This is equivalent to a cut in the basic rate of income tax from the present 30p in the pound to 25p.

This hope rests on the achievement of the assumed 1 per cent growth rate and on adherence to the public spending plans. Mr. Cassell conceded at the pre-Easter hearing that if there was no growth there would probably be a need to raise taxes if the public sector borrowing and monetary objectives were to be achieved. It is a measure of the revolution in economic thinking in the last decade that this remark apparently passed unnoticed; the traditional response of anyone brought up in the neo-Keynesian orthodoxy to a flat level of activity would be to call for reduced taxes.

The MPs and their special advisers have particularly spotlighted what are seen as major weaknesses in the public spending plans. Mr. Ward has noted, for example, that a large part of the cuts in 1980-81 are, as so often before, reductions in capital rather than current expenditure. Government investment in the current financial year will be 40 per cent less in volume terms than in 1974-75 while local authority capital expenditure will be 53 per cent lower than six years ago.

Looking further ahead, the projected decline in total spending of slightly over 1 per cent 1983-84 depends heavily on an increase of nearly £3½bn (at constant 1979 prices) in the *internally generated* finance of the nationalised industries.

The Treasury assumes both a reduction or elimination of losses in the coal, steel and shipbuilding industries and an increase in the real (inflation-adjusted) level of energy prices. The committee's special advisers have described this as all "very optimistic." At a time when the level of economic activity is sluggish it is suggested that there will have to be "substantial and continuous rises in prices over and above the general rate of inflation."

The Treasury has declined to say from which industries the improvement will come after this year. But in defence of its projections, Mr. Robin Butler, an Under-Secretary responsible for general expenditure planning, told MPs that the external financial position of nationalised *industries had improved* by £3bn between 1974-75 and 1977-78—after the end of price restraint.

The spending plans are also heavily dependent on a decline in planned spending on housing of over £2½bn between 1979-80 and 1983-84. However, no indication is given of where the savings will be achieved after this year. The special advisers suggest that subsidies will have to be cut sharply, entailing steep rises in council house rents. Consequently Mr. Ward concludes, that "the planned reduction in expenditure is likely to be achieved to an important extent via higher prices and charges." This may, of course, conflict with the desired reduction in the rate of increase of retail prices.

Equally significantly, both Mr. Ward and Dr. Neild have questioned the assumptions made by the Treasury about the relative cost of public services. That is an esoteric subject but the main point is that the medium-term strategy assumes that public sector costs will rise more slowly than prices in the *economy* as a whole after 1980-1981. They describe this as unrealistic in view of pressures for higher public sector wages in the absence of an incomes policy. Consequently, if public sector costs rise slightly more rapidly than prices generally, the cost, as opposed to the volume, of public spending could be much higher than assumed by the Treasury.

This could completely undermine the hopes of cutting taxes after 1982. After taking a more pessimistic view of unemployment than the Treasury, Mr. *Ward says that the achievement* of the Government's borrowing target will leave no scope for tax reductions over the next four years. Dr. Neild similarly estimates that the combination of a higher level of relative public sector costs, a poorer financial performance by nationalised industries than assumed by the Treasury and an average growth rate of less than 1 per cent will reduce the "implied fiscal adjustment" (the scope for tax cuts) from £3½bn in 1983-84 to only £750m.

Dr. Budd believes that the economic growth and inflation objectives are attainable but he warns that "there is some danger that the Government will find itself forced into public expenditure cuts which have little economic justification in order to meet a taxation objective, the benefits of which may be smaller than the Government hopes."

These questions go to the heart of the Government's economic strategy—as well as to its chances of winning the next election. In trying to find answers to these points the committee has quickly run into the limits of disclosure. The Treasury witnesses were certainly not obstructive. Indeed Mr. Cassell and his colleagues were scrupulous about trying to help the committee and were very revealing about the economic assumptions underlying the strategy. The pity is that more of this information could not have been included in the Financial Statement (the Red Book) in the first place.

Inflation and unemployment

It also became clear, however, that Sir Geoffrey Howe had laid down firm guidelines about how far the Treasury officials could go—particularly in answering questions about unemployment and inflation forecasts, and assessments of the financial position of companies and of nationalised industries. Mr. du Cann has indicated that the committee will raise with Sir Geoffrey this afternoon the extent to which these figures are available. It is easy to exaggerate such matters of disclosure—blowing them up into causes celebres and ignoring what information is available—but today's hearing will represent an intriguing test of the new balance of power between Whitehall and Westminster.

The Budget inquiry is, however, only a preview of what is to come. In addition to various studies of Civil Service matters the committee is planning a major study of monetary policy. This will involve both an immediate discussion of the recent Green Paper on the short-term working of the monetary system and a longer-term inquiry into monetary control, with the Bank of England as well as the Treasury being questioned.

There have *already* apparently been mutterings at the highest levels of the Treasury about the amount of time senior officials may have to give to these inquiries. Without being starry-eyed about the potential for select committees this seems a price worth paying for a more open debate about economic policy.

MEN AND MATTERS

Back to the drawing board

The old guard of the architectural business has once again—but only by the skin of its teeth—beaten off a vigorous offensive from radical elements who want to see the profession break out of its institutional strait-jacket.

Counter-attacking against the radicals, the Royal Institute of British Architects' conservative group last week called a special meeting on the three main points at issue. The young eagles say architects should be allowed to advertise in the Press, sit on the Boards of construction and development companies and that the rules should be changed to allow them to practise in limited liability companies.

These and other points in the murky areas of ethics and etiquette are also touchy subjects elsewhere in the professional world. Liberal elements in the more staid world of accountancy, for example, have been keen followers of the battles at RIBA, while the conservatives, of course, have been watching with some apprehension.

They have been on tenderhooks for some time and will, I am afraid, have to hang on for quite some time yet. By a majority of one, I am told, victory at the architects' latest confrontation went to the "noes." *But* since a one-vote win at a session with 250 delegates present can hardly be considered a clear-cut result, the RIBA council has decided that the debate will have to continue.

The warring factions are now re-arming in readines for a *national referenduc* which has ben called in the booe that the issue can be resolved by a free vote among RIBA's 27,000 members. "A result is quite a lot of months off yet," a spokesman tells me.

No one is taking any money on the outcome. A recent poll of 10 per cent of the membership on the publicity issue showed that while there was a slight majority in favour of more "promotion," the sample was split down the middle on suggestions that the profession should be allowed to take the crucial step and enter the vulgar world of pres advertising.

Ici Le Havre

Keeping watch on movements in the upper atmosphere, I noted that Geoffrey Wilson, director of high-flying property developer Greycoat Estates, was about to part with 270,000 shares. A call was called for. Wilson was not available, and that, I thought, was that.

Then came a call: "Geoffrey Wilson here. I heard you were interested in my shares. Well, I am calling from Le Havre, and I wanted you to know that *I* have just purchased a most lovely little flat over-looking the harbour. And that is why I am getting rid of a few shares."

"Well, thank you," said I. "By the way," said he. "How is the market going? Dollar any stronger?" Market up, dollar *down, I reported.* "Hmmm," he hummed. "Thanks. There's a great view from here."

Angel's delight

Lloyd's of London brokers, who have recently been dismayed to see their insured ships sinking round the world at a rate of knots, have happily been paying out on a 400-year-old loss for which they have yet to receive a premium.

The Mary Rose, commanded by a Vice-Admiral under Henry VIII, sank off Portsmouth *during* a *fight against* the French in 1545. No one seems to know the real reason why she sank, not even the men at Lloyd's, who might have been expected to have found out by now if a policy was involved.

The fact is that there's no policy. The £100,00 payout is a voluntary one colelcted from the brokers on the floor at Lloyd's to aid the Mary oRse Trust, which is spending several millions to raise the ship from the Solent mud to become the centrepiece in a Tudor ship museum in Portsmouth.

However, a permium will be paid. At the Mansion House this evening the trust will hand over a replica gold angel, (coin of the realm in the sixteenth century) to Lloyd's chirman Peter Green.

An angel at the time of the Mary Rose's submergence was worth 6s 8d, or, my researchers *inform me*, equivalent to a day's pay for an admiral. Still, even at today's rates, the premium would not stack up to a £100,000 risk.

Not that the brokers at tonight's ceremonies will mind. "In any case," I was told somewhat stuffily at Lloyd's, "the Mary Rose was a warship and therefore could never have been insured."

Still chugging

The nostalgic buffings and *puffings of steam train enthusi*asts cut no ice with the likes of Roy Cook. He is in railways for strictly commercial reasons. Chairman of the Derwent Valley Railway Co.—a fragment of industrial history considered unworthy of nationalisation—Cook last year halted his own *experiment with steam engine* excursions after three loss-making years.

"With the cost of coal and locomotive hire you have to sell an awful lot of 45p children's tickets to do well," he tells me. "It seems to me that most of these steam societies are living on borrowed time—borrowed money and borrowed tracks, too, in most cases."

Even with his own track and stations on hand he found his venture could not be made to pay and in the best interests of his 120-odd shareholders, waved the red flag.

Now it is back to business proper with this possibly unique enterprise: a commercial railway that is both publicly quoted and profitable. *Pace*, Sir Peter Parker, for in truth, Dedwent is more of a line-side development company than a transport enterprise. Started in 1911 *with a mere 14 miles of track*, it now has only four miles left which last year yielded a net income of £3,375. Most of the company profits now come from renting land and buildings built in sidings and along the line.

Railway earnings fell from £28,000 in 1978, Cook points out, because industrial troubles beyond the range of his modest enterprise. But he insists the track will remain open. Who knows, it may yet bee needed. Yorkshiremen still remember how it became a vital link in wartime transport when it was discovered that its weed-smothered tracks could not be detected by German bombers. Consequently the lines and sidings were used for the duration for moving and storing every kind of industrial project, including the parts for a *poison gas factory*.

Last verse

Since I now have on file 18 different versions of the Irish music hall song I quoted recently (*"The razor blade was German-made; the sheet was Belfast linen"*), may I thank all my advisers and call a halt to correspondence. Special thanks, however, to an indecipherable contributor who informs me the disgustingly gory ditty—The Ballad of William Bloat—*sprang* in the 1930s from the imagination of a Queen's undergraduate who later made a name for himself as a stockbroker on the Belfast Exchange. I might have guessed.

هكذا من الأصل

THE WAY AHEAD FOR DATA PROCESSING

BY GUY DE JONQUIERES IN LONDON AND STEWART FLEMING IN NEW YORK

A big opportunity for AT and T

THE FEDERAL Communications Commission moved last week to clear the way for some of America's most powerful corporations to battle for the billions of dollars of new business associated with the coming "information age."

Leapfrogging over four years of fruitless haggling in Congress, the Commission, which is responsible for regulating both broadcasting and telecommunications, decided to give up the unequal struggle of trying to decide what is telecommunications, and therefore under its jurisdiction, and what is data processing, and thus outside its control.

In a landmark decision, the Commission voted 5-2 to phase out its regulatory role in relation to the "enhanced" telecommunications services which marry rapidly-evolving telecommunications and computer or data processing technology.

The Commission's decision, though still open to legal challenge, is consistent with the prevailing political climate in Washington, which favours encouraging freer competition by dismantling long-standing regulatory controls.

The move also implicitly recognises that the foundations on which the FCC's past policies have been based are increasingly being undermined by recent developments in communications technology. These are rapidly eroding the practical distinction between various types of communications traffic: in a few years' time, the difference will probably have disappeared altogether.

The driving force behind this process is the coming changeover, in the U.S. and many other parts of the world, from traditional "analogue" telephone systems, using electromechanical exchanges, to digital networks in which calls are switched electronically.

The most important point about digital systems, and one with immense practical consequences for our daily lives, is that it enables almost every type of communication to be handled in the same form. Data, graphics, text, even television pictures, can all be treated as streams of binary digits and interleaved with voice on the same telephone line.

Because telephone companies are unwilling to write off their huge investment in analogue telephone systems overnight, the move to all-digital networks will be gradual, phased over a period of years. But in the meantime, some of the advantages of digital transmission are being made available through mixed systems which use devices called "modems" to translate between digital and analogue signals.

In parallel with this trend, the availability of increasingly cheap micro-electronics components has enlarged the variety and sophistication of terminals used to process data. In particular, the ability to produce a microprocessor using one or several tiny silicon chips, selling for only tens of dollars each, and the rapid drop in the price of electronic memory storage, have meant that remote computer terminals can now be endowed with processing power approaching that of a large computer of several years ago.

Micro-electronics are also being used to add "intelligence" — the ability to intercommunicate — to other types of equipment like word-processors, facsimile machines and even copiers. The availability of cheap long-distance data communications would allow these machines to be tied together into complex information networks stretching across the U.S.

The FCC hopes that its move will stimulate the development of new services like electronic funds transfer between banks and electronic transmission of mail. The potential market for such systems can be judged by the fact that more than half the mail currently carried by the U.S. Postal Service consists of bills, the majority of them generated by computers.

The advent of reasonably-priced data communications would enable bills to be settled —at a fraction of the cost of a stamp—by instructing a central computer through a terminal to debit ones own account and credit another.

Equally, letters and other documents could be encoded in digital signals, using a word-processor keyboard or a facsimile machine, and transmitted electronically to their destination where they could be displayed on a television-screen or reproduced in printed form.

Predicted

Another communications system which stands to gain from the FCC's move is viewdata, the technique of transmitting data stored in a computer across a telephone line and displaying it on a television screen. Indeed, the agreement under which General Telephone and Electronics (GTE), the second largest American telephone company, has been licensed to operate the British viewdata system in the U.S. is predicated on the assumption that data will in future be carried on telephone lines.

The business market is likely to be the first to benefit from the new services envisaged by the FCC.

It will probably take longer for the home-owners market to be affected. But the FCC's decision also to require that telephones be purchased rather than rented from telephone companies is clearly intended to encourage the participation of private subscribers in data communications.

Its move can be expected not only to drive down the price of telephone sets but also to stimulate development of increasingly sophisticated devices to be attached to home telephone lines. With personal computers now on sale for as little as $200, it is not too fanciful to look forward to the evolution of a home terminal, equipped to handle voice and data-processing as well, perhaps, as facsimile transmission.

Clearly, these prospects could herald far-reaching changes in the structure of key sectors of U.S. industry. Already, some of the nations best-known and most powerful corporations are poised to take advantage of the opportunities before them in the data communications field.

They include International Business Machines (IBM) and Xerox, both of which have plans to offer business communications systems. International Telephone and Telegraph is another likely entrant. GTE, whose subsidiary Tymnet operates a packet switched data network is also among the contenders, while even Exxon, the biggest oil company, has growing interests in the data-processing field.

But there is little doubt that the company which has most to gain from the Commission's decision is the biggest—and perhaps best known—in the country, American Telephone and Telegraph. With assets of more than $103bn, almost 1m employees and net profits of more than $1bn per quarter, AT and T's Bell system already commands more than 80 per cent of the U.S. telephone market, leasing 133m of the nations 170m telephones.

Most Wall Street analysts would agree with Mr. Winston E. Hinsworth of Salomon Brothers that "the long-term opportunities for the Bell System are enhanced."

For the Commission has decided that while the Bell System must continue to be regulated on rates of return and charges on its basic telephone transmission service, it should now be free to enter the unregulated telecommunications market which the Commission proposes.

However, the FCC's vision of a new era of open competition in advanced telecommunications is clouded. Congress would not have struggled so far unsuccessfully to achieve a similar objective through legislation if some powerful interests were not ranged against it. Indeed, the Commission itself openly concedes that it anticipates lawsuits challenging its decision.

Just where those challenges may come from will remain uncertain until details of its decision are published. But there is a suspicion that even some of the main beneficiaries will seek to modify the terms of the decision.

AT and T, for example, has said that it is uneasy about the brevity of the two-year transition period proposed by the Commission. It has been working for some time on a projected data communications service and is apparently still striving to iron out some of the complex technical problems involved. AT and T is also unhappy about the degree of separation that is likely to be required between its basic telephone business and the unregulated subsidiaries through which it will have to operate in offering new services.

There are already suggestions that some computer equipment manufacturers which have not been preparing as aggressively as IBM for the convergence of data processing and telecommunications technologies are incensed by the FCC's action.

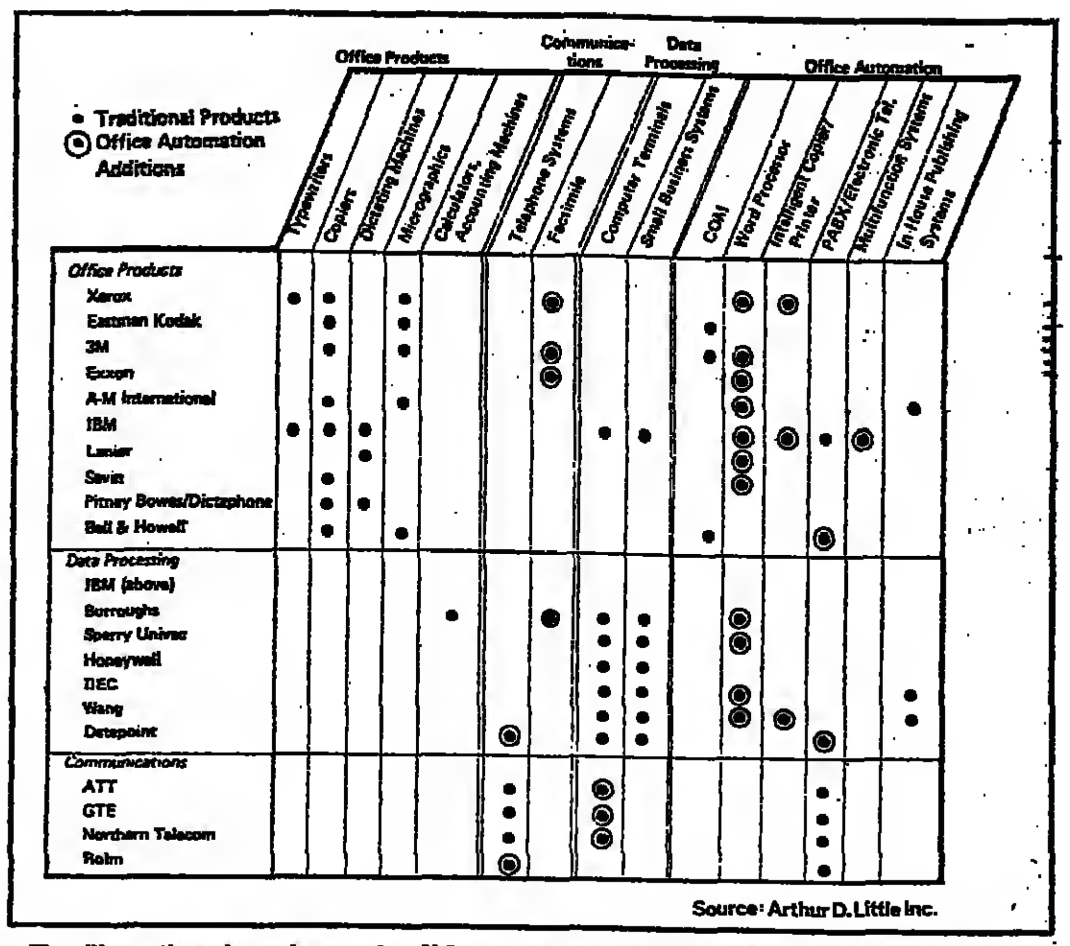
Several of the smaller telecommunications equipment manufacturers are said, too, not to relish the prospect of competing head-on with AT and T in an unregulated market. The Bell System's equipment manufacturing subsidiary, Western Electric, on its own ranks as No. 18 on Fortune's list of the 500 biggest U.S. industrial companies.

But perhaps the biggest question mark hangs over the attitude of the U.S. Justice Department. The Department was one of the groups which filed a brief with the FCC arguing that the latter's proposals were not consistent with the Department's own views.

In 1956, AT and T signed a consent decree with the Justice Department in order to end an anti-trust suit. That decree has generally been construed as preventing the company from entering unregulated telecommunications markets. Moreover, the Justice Department still has another six-year-old, anti-trust action outstanding against the company which seeks, among other aims, the divestiture of its Western Electric manufacturing arm. That too, could conflict with the FCC's decision.

Dr. Alan Pearce, a Washington-based communications consultant, fears that the FCC's move could, in the long term, have precisely the opposite of the intended effect of opening up the data communications market to a broad spectrum of competitors. Instead, it could result in the domination of that market by a few very large corporations which would not be subject to federal regulation.

The FCC will no doubt be seeking to convince sceptics that such concerns are unfounded. It remains to be seen, however, whether its efforts to free the latest communications technology from arguably outdated regulatory restraints will not themselves become entangled in complex and protracted litigation.



The Illustration shows how major U.S. companies' product strategies are taking advantage of the convergence of the data processing, communications and office products markets.

Letters to the Editor

Encouraging small firms

From Mr. H. O. Smith

Sir,—We are concerned lest an unfavourable impression may have been given to your readers about the merits of assisting small firms by the article in your April 8 issue "New companies may not create many jobs." The following facts provide a perspective view of small firms:—

1. Private firms with less than 100 employees account for over a quarter of the working population. 2. Nearly two-thirds of small firm employment is in the service sector where employment is rising.

3. Only a quarter of small firm employment is in the Manufacturing sector. However, within the manufacturing sector there is evidence that only the small firms are showing a net gain in employment, and that the cumulative effect of their growth in the long term is appreciable.

4. Since small firms are the most dynamic in employment terms, encouragement of both existing and new small firms in all sectors is clearly desirable, in order to diversify and redistribute employment in the face of reductions elsewhere in the economy, as well as to benefit from their wealth creation.

5. The work of Dr. Storey and his colleagues at the Centre for Environmental Studies in analysing employment change has been invaluable, and deserves the fullest continuing support.

H. O. Smith.
c/o Teesside Polytechnic,
Flatts Lane Centre,
Normanby,
Middlesbrough, Cleveland.

The economic outlook from Cambridge

From Mr. Wynne Godley and Mr. Francis Cripps

Sir,—Samuel Brittan's article on April 3 sought to undermine an irritating reputation the Cambridge Policy Group seem to have acquired for getting things right. This he did using a table prepared by Mr. McWilliams of the CBI which compares our forecasts for 1980, published in successive annual reviews since 1976, with the latest CBI forecast for the same year.

Two of the lines in Mr. McWilliams' table, crucial to the argument, appear to us to be misleading. Contrary to what his table implies, our past forecasts have understated both the rise in import penetration and the fall in non-oil exports as a share of world trade.

But a more fundamental error is a methodological one made by Mr. Brittan himself. Our medium term projections have never been unconditional forecasts of what would actually happen; they have always explicitly been conditional on well defined assumptions about economic policy, precisely in order to reveal the strategic options open to the Government.

Since the projections selected by Mr. McWilliams were made to show the consequences of keeping competitiveness constant they are in no way whatever falsified, as Mr. Brittan quite wrongly suggests, by the fact that the exchange rate has actually appreciated a lot. The misinterpretation is the less excusable because in our Spring 1979 Review (page 35 table 3.3) we showed the likely implications of a rapidly appreciating exchange rate caused by monetary restriction and warned at the time that the consequence would be to depress exports and output below the level of our "base projection."

As it is too early to use 1980 for the purpose of verification, a more accurate idea of our forecasting record is given in the table in this letter which shows successive projections for the year 1979 against a provisional estimated outturn for that year.

These results tend to vindicate the view we have consistently taken of Britain's strategic predicament, namely that without a change of policy, adverse trends in foreign trade would generate progressive stagnation of the economy and that rapid inflation would continue. The trends in trade performance have actually been worse than we expected, and we assumed, initially, too rapid a growth in world trade. On the other hand Mr. Brittan was correct to note that our conditional forecasts of unemployment have been on the high side.

Have our forecasts been of a "shock, horror" kind or haven't they? Mr. Brittan tries to have it both ways, maintaining that "in the spring of 1976 the prediction of a continuing rise (in unemployment) was not a particularly startling or unorthodox one." He is perhaps forgetting the banner headline on the front page of the Financial Times on March 29, 1976, "Cambridge Group forecasts 1.5m unemployed by 1980," of his own feature on the same day which took 900,000 as a reasonable target for unemployment having congratulated us on "an unrivalled feeling for where the economy is going."

Mr. Brittan is also trying to have it both ways about the value of forecasting at all. While professing a modish scepticism about forecasts he himself predicts a rise in unemployment this year followed by a fall in inflation and a subsequent recovery in output and employment. He owes it to the public to explain just how, with a strong exchange rate and a continuation of existing fiscal and monetary policy, this recovery is supposed to come about.

Wynne Godley.
Francis Cripps.
Cambridge Economic Policy Group, DAE, Cambridge.

CAMBRIDGE ECONOMIC POLICY GROUP

Forecasts of 1979 conditional on policies existing at the time the forecasts were made

(Indices, 1975=100)

	Estimated outturn	Forecasts made in: Spring 1979	Spring 1978	Spring 1977	Spring 1976
Assumptions					
Real exchange rate	110	100	101	92	103
Current balance of payments (£1,975 billion)*	1.4	0.0	1.1	0.9	0.0
Volume of world trade	130	126	129	139	142
Results					
Imports of manufactures	156	155	146	153	157
Non-oil exports	117	121	119	136	140
GDP	110	112	108	116	112
Employment	100	101	99	99	99
Unemployment (millions)	1.3	1.4	1.5	1.5	1.5
Average earnings	166	163	163†	171	171†
Consumer prices	161	152‡	163	154	165
Imports of mfs/GDP	141	139	135	132	140
Non-oil exports/world trade	90	96	92	98	99

Note: * The balance of payments was set as a target and fiscal policy made endogenous to ensure the target was fulfilled.
† The 1976 and 1978 forecasts of average earnings were largely exogenous to the model.
‡ This forecast assumed no switch from direct to indirect taxation such as occurred in the 1979 Budget.

Profit sharing

From the Chairman, Appleton Incentive Techniques

Sir,—The proposals made in the Budget speech regarding approved profit sharing schemes will be generally welcomed, but the limited nature of those proposed for share options will disappoint many.

The Chancellor is proposing to restore CGT treatment of the growth in value of shares realised when share options are exercised, but only in respect of options linked to SAYE contracts of a special type which is to be introduced. There is apparently no proposal to accord similar treatment to existing options, even those linked to SAVE contracts of a current series, many of which will mature this year.

If this is indeed the limit of the Chancellor's intentions, he will be treating very shabbily the tens of thousands of employees who were encouraged to take advantage of the legislation introduced by the previous Conservative Government and subsequently repealed by Labour. Further, as regards executive type option schemes, how is it that a Government so dedicated to restoring incentives should shy at re-introducing for these also the CGT treatment accorded by its predecessor?

Many executive type share option schemes were adopted in anticipation of the return of a Conservative government and executives rightly look to this Government to enable them to capitalise on their efforts for successful companies.

Fortunately, approved profit sharing schemes have the support or, at least, acquiescence of all political parties and should be free of "political" changes in the future. It will be futile, however, for the Government to expect companies and their employees to take up a new savings-linked share option scheme which, on past experience, will be attacked by a future Labour government, if they have demonstrated that they will not redress such interference and, as a result, have left "stranded" participants in the schemes which they had previously encouraged.

S. D. Appleton.
Appleton Incentive Techniques Ltd.,
18a Burgh Heath Road,
Epsom, Surrey.

Inflationary manoeuvres

From Mr. M. S. Buckingham

Sir,—I would not argue with D. G. Franklin's conclusion (April 10) that price increases from state monopolies must be subjected to the closest scrutiny in the fight against inflation. But there are deeper implications in his observation of a 2,400 per cent increase in bus fares.

At first sight the use of what is effectively a "simple interest" formula over-dramatises the situation. An overall rise of 2,400 per cent over 16 years reduces to an annual compound rate of 22 per cent. This latter figure is still high in comparison with annual inflation rates over the whole 16-year period. However, the order of magnitude is at least the same.

But the preoccupation with percentages which has grown up in recent years obscures the fact that bills must be paid in pounds and not percentages. Even if the rate of inflation were to fall to zero overnight, British exporters would continue to bear the burden of the cumulative effects of several years of hyperinflation.

It will not be enough to simply reduce our own inflation to the same levels as our competitors. Several years with inflation rates well below world averages will be required to make us competitive in many areas. Unfortunately many of our competitors have sustained inflation rates too low to give us any comfortable room for manoeuvre.

Measures now being taken may be successful in reducing inflation although there is little enough sign of any breakthrough at present. But I see no sign at all of any radical change in attitudes, either in planning Government expenditure or in conducting wage negotiations, to give one any confidence that the rate can be held down. Blanket instructions to cut expenditure by X per cent may achieve the short-term objective but they invite "cooking" of the books and readily achieve maximum ill-will. Only a radical reappraisal of the whole basis of expenditure can provide a sound basis for long-term stability. On the wages front a one-year agreement to a lower increase really represents no progress at all.

Against this background the increasing cash flows from North Sea oil may have much the same effect on our creaking system as a pools win on a pigmy!

M. S. Buckingham.
Managing Director,
IRCS Medical Science,
St. Leonard's House,
St. Leonardgate, Lancaster.

Today's Events

GENERAL

UK: Clegg Commission on Pay Comparability report on teachers' pay.

National Association of Schoolmasters conference, Harrogate.

National Union of Students conference opens, Blackpool (until April 18).

World conference on Transport Research, Imperial College, South Kensington (until April 17).

Sir Peter Gadsen, Lord Mayor of London, dines with Cooks' Company, Innholders' Hall, College Hill, EC4.

Autumn Shoe Fair, Hotel Majestic, Harrogate (until April 15).

Overseas: European Parliament session opens, Strasbourg (until April 18).

Sr. Luis Herrera Campins, President of Venezuela, starts five-day official visit to France.

President of Kenya, Uganda, Tanzania and Sudan meet in Mombasa.

PARLIAMENTARY BUSINESS

House of Commons: Criminal Justice (Scotland) Bill, second reading. Motions on three Northern Ireland Orders—Domestic Proceedings; Maintenance orders (consequential amendments); and Bankruptcy (consequential amendments).

House of Lords: Consular Fees Bill, committee stage. British Aerospace Bill, report stage. Motions to approve Location of Offices Bureau (Revocation) Order 1980. Motions to approve Northern Ireland Orders. Debate on the preparations for the independence of Zimbabwe.

Select Committees: Public Accounts. Subject: Control and regulation of Housing Associations. Witnesses: Department of the Environment and the Housing Corporation. Room 16, 4.45 pm. Treasury and Civil Service. Subject: Budget and Public Expenditure White Paper. Witness: Sir Geoffrey Howe, the Chancellor of the Exchequer. Room 15, 4.45 pm. Treasury officials Room 15, 11 am.

COMPANY MEETINGS

See Financial Diary on page 5.

LUNCHTIME MUSIC, London

Hugh Wood Quartet No. 3 and Mozart Quintet in C Major, K515, played by Lindsay String Quartet, Simon Rowland-Jones (viola)—BBC concert, St. John's, Smith Square, Westminster, 1 pm.

Eagle Star optimistic of continued expansion

AN OPTIMISTIC forecast that recent excellent growth in investment income of Eagle Star Holdings would continue in 1980, is made by Sir Denis Mountain, chairman, in his annual statement.

He also felt that the increased recognition in public affairs and the need for profitability in industry and commerce, and the strong position of Eagle Star, enabled him to view the outcome for this year with confidence.

The report highlights the difficulties last year for insurance operations in the UK. The group made a loss of £10.1m on its motor account, with higher claims frequencies in both private and commercial sectors. Yet market competition remained fierce and there was a significant reduction in the private motor car portfolio during the year.

The all-in account for house insurance made a loss of £6.4m, with the floods at the end of December in South Wales and the South West causing substantial losses.

The group has raised its premium rates for buildings and contents and with the completion to index linking of all policies in this account, it is hoped that an improved underwriting result will be achieved in 1980.

The commercial and industrial fire account made a satisfactory profit in spite of the higher level of national fire wastage. But increased market pressures on this business has meant that premium growth has been modest and profitable growth potential limited.

The liability account made an overall loss of £2.6m with the adverse effect of inflation on claims costs being a serious feature. The accident account and the engineering insurance subsidiary made small but useful profits.

The consolidated balance sheets show that shareholders funds advanced from £122.8m to £144.8m over the year, while long-term funds improved by 12 per cent to £1.18bn. On the long-term funds, gilt holdings rose from £232m to £282m, equities to £236m (£208m), and mortgages and loans increased from £192m to £227m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Glaxo, M. P. Kent.

Finals: Automated Security, C. O. Ommell, Currys, Edinburgh Investment Trust, J. E. England, Huntleigh, Richards (Leicester), Richards and Wallington, Securities Trust of Scotland, Standard Telephones and Cables, Arthur Wood.

FUTURE DATES

Finals—

Astbury and Madeley	Apr. 17
Brown Boveri Kent	Apr. 22
Chesterfield Properties	†Apr. 22
Delta Metal	Apr. 23
Downiebrae	Apr. 16
...denhall Sterling	Apr. 17
Liberty	Apr. 25
Oxley Printing	Apr. 22
Pearson (S.)	Apr. 22
Peninsular and Oriental Steam Navigation	May 7
Richardsons, Westgarth	Apr. 15
Tozer, Kemsley and Millbourn	Apr. 22
Wilkins and Mitchell	†Apr. 16

† Amended.

Expanded Metal sees progress

SOME overall progress is forecast for Expanded Metal Company in the current year. In his annual statement, Mr. S. A. Field, chairman, says that the traditional UK businesses have made a strong start to 1980.

These have been aided by ample stocks of steel and possibly by an element of advance ordering by customers for steel based products.

For 1979, as reported on March 26, group pre-tax profits pushed ahead by 9 per cent to £2.53m. The final dividend is 2.5p net for a 4.5p (4.095375p) total.

At the year-end net liquid funds showed a decrease of £5.46m (£2.63m increase). Group fixed assets totalled £11.92m (£9.34m) and net current assets £7.95m (£10.05m).

Meeting, 116, Pall Mall, SW, on May 15 at 12.30 pm.

Amstrad offer for sale details

THE FULL prospectus is published to day in connection with the offer for sale of a quarter of the issued capital of Amstrad Consumer Electronics.

The company trades in the areas of hi-fi, in-car entertainment and consumer electronics such as portable radios, cassette players etc.

Mr. Alan Sugar, who started the business in 1968, is selling, via merchant bankers Kleinwort Benson, a quarter of the equity of the company amounting to 2,331,250 ordinary 25p shares. The offer price is 85p per share valuing the whole company at £7.93m and Mr. Sugar's remaining 75 per cent holding at over £5.9m.

The forecast for the current year's profits is not less than £1.3m indicating earnings per share fully taxed of 6.7p or 13.1p assuming the expected tax charge.

A dividend of 2p per share is forecast but if the company had been quoted for a full year 3.3p would be paid.

On the basis of the offer price Amstrad is coming to the market on a prospective fully taxed p/e of 12.7—6.5 if the expected tax charge is used—and the yield on a full year basis is 5.5 per cent covered two times on the lower earnings figure.

Brokers to the issue are W. Greenwell.

● comment

Profits at Amstrad are certainly bouncing up and the inherent flexibility which has been developed from buying in from overseas, sub-contracting in the UK or using in-house manufacture has allowed it to ride out currency fluctuations. However it operates in a highly competitive market and is largely dependent on the latest Far Eastern technology. Priced at 85p the p/e on fully taxed earnings comes out at 12.7 while the yield is 5.5 per cent. The rating is unlikely to bring the public rushing in for application forms.

Avery Labels advances

Sales of Avery Labels UK, part of Avery International Corporation of California, US, rose by 10 per cent to £4.64m for 1979, and pre-tax profit went ahead to record £516,300. Net income was £820,000.

Mr. Michael Smith, managing director of this UK side of Avery Label Systems, says that by focusing on key market segments, supported by a major investment in 1980 planned at £700,000, he is confident that the trend of the last three years—the company incurred a loss in 1976—will continue, and ensure a further advance in the return of assets employed.

Bronx set to achieve record profits

PROFITS and turnover of Bronx Engineering Holdings will reach record levels in the current year, forecasts Mr. G.B. Crosthwaite, chairman, in his annual statement.

The current order book ensures full production, and future order prospects are satisfactory, he adds. As reported on March 27, pre-tax profits expanded from £317,213 to £624,273 in the year to November 30, 1979, and the chairman now reports that the better profit margins achieved last year are being maintained. Profits reached a peak of £790,300 in 1976-77.

Spiralling inflation and the current strength of sterling make orders from abroad extremely difficult to obtain, but with the investments made over the past few years in the most modern production facilities, he feels the group is well placed.

Under a licence agreement signed recently with Aetna Standard Engineering Co. of Pennsylvania, Bronx will be able to build major strip process lines for steel mills.

FT Share Information

The following security has been added to the Share Information Service appearing in the Financial Times:—

Great Eastern Mines (Section: Mines-Australian).

BIDS AND DEALS

M & G turns down offer for its 13½% stake in Guthrie

MR. DAVID HOPKINSON, chief executive of the M and G Group, confirmed yesterday that it had received an approach from N. M. Rothschild, the merchant bank acting for Sime Darby, for its 13½ per cent holding in Guthrie Corporation at £9 a share.

The offer was made through UK stockbroker Edgar Astaire of Astaire and Co.

But M & G turned down the offer, made around a week ago. Rothschild wanted to buy the shares there and then, according to Mr. Hopkinson, ahead of this week's meeting where shareholders will be voting on Guthrie's £24m bid for investment trust City and International Trust.

Mr. Hopkinson said that the unit trust group would not deal direct and told Rothschild that they should approach Guthrie or its advisors Barings.

"We told them that £9 was not enough. The proper price for Guthrie must be somewhere between £10 and £11 a share," Mr. Hopkinson added.

Sime's holding in Guthrie is just under 30 per cent following the unsuccessful bid attempt a year ago to acquire the UK company. At that time M & G holding and its influence was decisive in defeating Sime's bid of over £5 a share. Under takeover rules Sime is now able to come back with another bid—a period of one year having lapsed since its last offer.

See Lex

SHARE STAKES

Northern Foods—On April 8 D. C. Samworth, director, disposed of 565,000 shares at 118p in which he was beneficially interested.

Greycoat Estates—Following transactions have been made recently or are about to be made by directors. G. A. Wilson sale of 270,000 shares; R. R. Spinney sale of 70,000 shares.

Montfort (Knitting Mills)—Palma Textiles Group holds 602,500 ordinary (19.98 per cent).

Hunting makes £2.5m purchase

For a consideration of around £2.5m, Hunting Associated Industries has acquired Carborundum Precision Components. The cost will be funded from current resources and bank borrowings.

Carborundum, a division of Carborundum Engine Components, a UK subsidiary of Carborundum Company of the U.S., whose ultimate holding company is the Kennecott Copper Corporation.

R. H. COLE

R. H. Cole has sold its manufacturing activity of industrial chillers and process temperature controls, the consideration being £248,448 in respect of stock at valuation, payable in quarterly instalments during 1980.

In addition a royalty is payable on sales over the next three years with a guaranteed minimum of £150,000, which includes consideration for fixed assets at written down value of £60,000, and goodwill.

Provincial Laundries

THREE PURCHASES have been made by Provincial Laundries. Through its wholly-owned subsidiary Provincial Cleaning Services, it has exchanged contracts for some 99 per cent of the issued share capital of Splendour Cleaning Services.

The initial consideration at completion is £85,000 which will be financed by the placing of 236,111 Provincial ordinary shares. The deferred consideration is £85,000 payable in cash and settled in 10 half-yearly instalments over the next five years.

In addition Provincial is buying the remaining 25 per cent not owned by it in Mechiud Services, a contract cleaning company based in Birmingham. Consideration is £30,000, satisfied by £3,000 cash and 75,000 Provincial ordinary.

Also the company has contracted to buy 75 per cent of the privately-owned Marston Roofing Company, which specialises in the provision of new and remedial roofing to industry.

Initial consideration is £60,750, to be satisfied, at Provincial's option, in cash or by the issue of 168,750 ordinary shares. The maximum deferred consideration is £93,750 dependent upon profits of £200,000 being achieved in the 23 months to December 31, 1981.

The agreement contains options exercisable by Provincial or the vendors to purchase or sell, as the case may be, all the 25 per cent of the capital not purchased by Provincial. These options are exercisable from 1984—the price to be equal to the fair value of the shares.

MINING NEWS

Austalia's available energy advantages

BY KENNETH MARSTON, MINING EDITOR

ANOTHER comment on Australia's important advantage of readily available energy — notably in coal — which could lead to increased processing of metals for export comes from Sir Roderick Carnegie, chairman of Conzinc Rio-Tinto of Australia.

He also points out in the CRA annual report that the low level of new mining development in recent years has "seriously restricted the flow of new supplies to metal markets."

Mr. Rus Madigan, chairman of the group's big Hamersley iron ore operation in Western Australia hopes for "substantially better" earnings for his company this year. He points to the improved sales outlook, iron ore price increases of almost 20 per cent and the expectation of less industrial disruption.

Meanwhile, the group's big Bougainville copper-gold operation in Papua New Guinea saw a further reduction in ore grades during the first quarter of this year.

Despite an increase in ore milling to 9.38m tonnes from 8.9m tonnes in the December quarter the copper content of concentrates rose only to 38,424 tonnes from 38,393 tonnes, that of gold fell to 3,879 kilogrammes from 4,117 kgs and that of silver was 9,950 kgs against 9,466 kgs.

Equity & Law

Life Assurance Society Limited

Statement by the Chairman, Mr P D J H Cox.

Directors

At the Annual General Meeting, Sir Geoffrey Eley CBE and Sir Duncan Oppenheim will be retiring from the Board. Sir Geoffrey Eley joined the Board in February 1948, and Sir Duncan Oppenheim did so in March 1966.

Mr E P Chappell CBE, who joined the Board in February 1969, is resigning owing to his recent appointment as Chairman of ICL Limited.

We pay the warmest tribute to the contributions they have made over the years and we shall greatly miss their presence at Board meetings.

It is recommended that Lord Rockley should be elected a Director of the Society. Lord Rockley is a director of Kleinwort, Benson Limited and he brings wide experience to the Board. We shall look forward to many years of association with him.

1970–1979

Over the last ten years Equity & Law (the main Society and the managed fund company together) has made excellent progress as the following figures show:

	1970 £m	1979 £m
New sums assured	196	901
New annual premiums	3.6	16.8
Total premiums	26	123
Net assets	277	918
Investment income	15	73
Distributed profits of the Society	5.8	21.2
Net dividend per share of the Society	3.37p	11.0p

The most remarkable achievement in this period has been that of our operation in the Netherlands. We started to transact business there at the end of 1970; we are now a major force in the Dutch life assurance market and our Dutch business forms an important part of our total operations. Last year our premium income in the Netherlands was £16m and the assets held in respect of our liabilities there exceed £65m.

In the last ten years the unit-linked market in the United Kingdom has expanded very rapidly. We first entered this market in 1969 with individual life policies linked to Equity & Law Unit Trust which has a highly successful record. With the recent introduction of unit-linked policies for self-employed, which have proved very popular, and the introduction shortly of similar contracts for directors and employees we shall have a full range of unit-linked policies for ordinary life assurance, for group schemes and for individual pension purposes, in every case with a wide choice of investment mediums. Last year unit-linked business provided premium income of £24m.

Probably the most disappointing feature of the last ten years has been the poor performance of the United Kingdom economy with the high rate of inflation which has persisted and which has recently risen once again. Between mid-1970 and mid-1979 the Retail Price Index increased almost threefold and this constitutes a serious burden on our expenses of management. It is earnestly to be hoped that the new approach which the Government has adopted in attempting to bring the economy under control will be successful.

New Business

New business under individual contracts secured sums assured of £739m (£682m in 1978) with annual premiums of £11.0m (£10.2m in 1978); these figures include sums assured of £170m (£177m in 1978) and annual premiums of £2.5m (£2.3m in 1978) in Holland and Germany.

Increments under existing group schemes were buoyant but as expected, following the introduction of the new State Pension Scheme in 1978, new group schemes were fewer than in 1978; we wrote new annual premiums of £5.8m (£9.1m in 1978).

Assets

New money for the Society in 1979 was £98m of which £16m was invested in Holland and Germany, mainly in fixed interest stocks, against our liabilities in those countries and £6m was in respect of unit-linked business and therefore invested in the appropriate funds. Of the remaining £76m, the bulk, £48m, was invested at attractive yields in British Government stocks, £13m was invested in equities and £14m in property, mainly in shops and industrial property.

During the year we borrowed a further $12m to finance part of our overseas investments, thereby releasing the dollar premium on these holdings, but following the removal of exchange control restrictions we have started to reduce our overseas borrowings. The Society's investment income shows another large rise to £68m from £56m in 1978. Our investments in ordinary shares and property appreciated over the year by £38m, but, with the rise in interest rates, our fixed interest holdings depreciated by £32m.

Bonus

Terminal bonuses on individual policies have again been increased, following the substantial increases made at the beginning of last year. For almost all individual pension policies the rates have been more than doubled and for individual life policies they have been increased substantially at longer durations.

We have introduced an additional form of bonus, the "retirement bonus", on group pension policies. We have also paid a special once-for-all bonus on group profit-sharing policies, partly to compensate for the discontinuance of bonuses in respect of pensions in course of payment.

In addition bonuses on annuity business have been increased by, broadly, the amounts equivalent in cost to the reduction in the shareholders' allocation, to which I refer below.

These improved bonuses have further enhanced the excellent results of our with-profit contracts.

Liabilities

As indicated in the Actuary's Report, certain changes have been made in the basis for valuing the Society's UK liabilities, of which the major items are increasing the provision for future expenses and increasing the rate of interest used for valuing single premium contracts in line with the increase in the yield on UK fixed interest stocks. The net effect of the changes in the valuation basis was to reduce liabilities by about £2m.

The value of the liabilities of the Society rose over the year from £657m to £756m and the investment reserve has been increased by £4m to £83m.

Dividend

An interim dividend of 4.0p per share was declared in December 1979 and the Directors recommend that a final dividend of 7.0p per share be paid making a total for the year of 11.0p per share, compared with 7.75p for 1978.

The shareholders' share of the divisible surplus was £1,862,000, £290,000 more than last year. It included £98,000 from the increases in the rates of terminal bonus paid from the beginning of last year and £131,000 resulting from the special bonus on profit-sharing group policies to which I have referred; however it was reduced because the Directors exercised fully the discretion which they were granted at last year's Annual General Meeting (by amendment of Article 77) to make an allowance for tax relief prospectively receivable in dividing the surplus between policyholders and shareholders.

Interest earnings in the Other Business Fund, after deduction of tax and expenses of management, were £216,000. This is substantially more than the corresponding figure for 1978 (£150,000), mainly because of the high rates of interest obtained on money on deposit. Thus the earnings, excluding capital depreciation, were £2,078,000 (£1,722,000 in 1978) or 10.4p per share (8.6p in 1978). In recommending a total distribution somewhat higher than the earnings the Directors have had regard to the underdistribution of earnings in recent years because of Government restrictions on dividend payments.

Directors' Remuneration

A proposal will be submitted to the Annual General Meeting to increase Directors' fees by one-third. Directors' fees were fixed at their present levels in 1975.

In 1976 shareholders agreed to a change in the Articles of Association permitting the company to provide pensions for its Directors. At that time the Board stated that such a scheme would not be introduced immediately (other than facilities for a salary sacrifice arrangement, the cost of which would be borne wholly by the individual Directors participating in the arrangement) but that the Board intended to establish a scheme when they felt the time to be appropriate. Now that Governmental pay restraint has been abolished, the Board have decided to proceed with the introduction of a scheme, providing pensions on the basis outlined to shareholders when the Articles were changed in 1976.

	1979 £ million	1978 £ million
New sums assured	901	896
Sums assured in force	5,027	4,524
New annual premiums	16.8	19.3
Total premium income	123.1	114.5
Payments to policyholders	51.3	46.1
Group net assets	918	799
Investment reserve	83	79
Dividend for the year (per share)	11.0p	7.75p

Outlook

It is a pleasure to be able to record, for the first time for several years, that we do not face in the United Kingdom substantial work imposed on us as a result of legislation, either enacted or prospective. We can therefore, and shall, devote our efforts to securing and administering as efficiently as possible a steadily rising volume of business.

Equity & Law enters the nineteen-eighties in a strong position well equipped to take advantage of whatever profitable opportunities offer themselves in the markets in which we operate – in the United Kingdom, in the Netherlands and in the Federal Republic of Germany.

Staff

I cannot end without expressing my sincere thanks to all members of the staff who, under the outstanding and imaginative leadership of Mr Michael Burns, have played and, I know, will continue to play such an important part in furthering the interests of the Society.

Copies of the Report and Accounts can be obtained from the Secretary, 20 Lincoln's Inn Fields, London WC2A 3ES.

INTERNATIONAL BONDS

BY FRANCIS GHILES

Windows fly open all round

THE NEW issue window flew open suddenly after the Easter recess and a greater volume of fixed rate dollar paper was on offer — or had been placed — last Friday night than during any week since last summer: $425m. All the new issues were well received, while straight dollar bonds posted gains of around three points in secondary market trading.

In a movement which some observers felt was somewhat paradoxical, hard currency Eurobonds posted even larger gains. Deutsche mark foreign bonds moved up by about 2¼ points on the week, much of the advance being recorded on Friday, while Swiss franc foreign bonds advanced by nearly four points.

A number of factors lie behind the buying spree which developed in the dollar sector. The strength of the U.S. currency in recent weeks combined immediately after Easter, with a sharp fall in Eurodollar rates convinced many investors that the peak in U.S. interest rates might be close at hand; some even felt it might have passed. Thus, the time was ripe to commit some funds to the bond market.

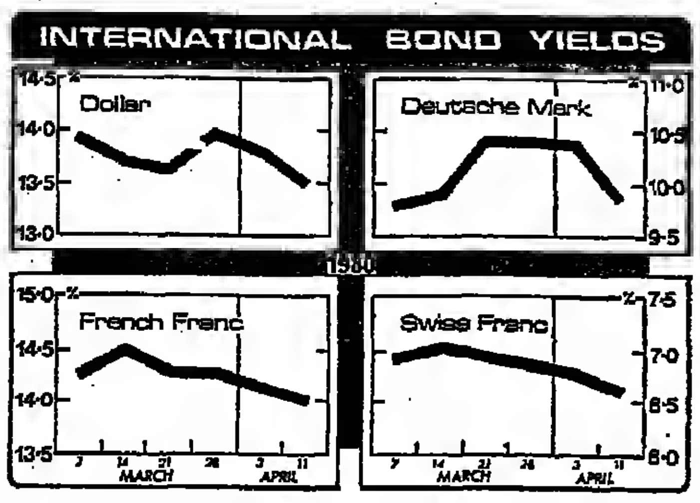
Herd instinct did the rest but many dealers insisted that the shortage of paper available was a greater factor behind the rise in prices than the volume of buying.

A new issue volume of $425m, while large by recent market standards, pales somewhat if one remembers that the reflows of principal and interest on outstanding dollar issues are running at about $1bn every month. But, as Kredietbank figures published on Friday reminded the market, only $1.7bn worth of new bonds—in dollar equivalent terms—were arranged during the first quarter of this year, the lowest quarterly figures since 1975. Of this toal, more than half was accounted for by D-Mark bonds.

During the same four days as the six-month Eurodollar rate fell 1¾ per cent to 13 3/16, the U.S. currency weakened against both the major hard currencies and it was the currency factor which led to a renewed investor interest in D-Mark and Swiss franc bonds. Two new D-Mark foreign bond issues were arranged, a DM200m public issue for the Asian Development Bank, increased from an initial DM150m, through Deutsche Bank, and a DM50m private placement for Denmark through Westdeutsche Landesbank. This latter bond was placed with one sole foreign investor.

In the secondary market, all recent D-Mark foreign bond issues rose to a premium over their price of issue. The recent IBM issue was quoted at 105¼ in the middle last Friday while the Asian Development Bank one rose to 102: both had initially been priced at par. German bankers were agreed that demand, the like of which they had not seen for two months was based on currency considerations.

Yields on outstanding D-Mark foreign bonds have now dropped back, in most instances



to below 10 per cent. This is also true in the domestic D-Mark bond market where the Bundesbank sold DM 637m worth of paper last week to satisfy investor appetite.

The renewed popularity of D-Mark foreign bonds reminded observers, once again, that the volume of new issues which the German Capital Markets Sub Committee agrees to at its monthly meeting gives at best a vague indication of what might happen. At its last meeting, three weeks ago, it agreed on a calendar with a sole DM 200m isue for IBM. Since March 23, DM 840m worth of foreing D-Mark bonds have been arranged.

Dealers in Zurich said that the decline in short-term U.S. interest rates and the subsequent appreciation of the Swiss currency had brought back into Swiss francs funds which had previously been invested in short-term dollar instruments. The general boost to franc liquidity that resulted helped the bond market, even among the most favoured by investors and there has been no though the reflows were not necessarily going straight into bonds.

The market now seems, however, to have found a level where yields are attractive again. Secondary market yields for foreign Swiss franc bonds closed last week at about 6.8 per cent while a 7 per cent level has been established for new issues.

Back in the dollar sector, the first new issue to be launched was a $50m public bond for the French Railways, SNCF: from the start this issue, managed by Chemical Bank, was "hot" and by Friday night the book had been more than twice oversubscribed. French names remain fixed interest French bonds for many months.

The second issue to be announced was for that volacious borrower, the European Investment Bank. Bonds for this borrower can be found in the secondary market which are of comparable maturity but yield more than the 13.84 per cent offered to the investor by this latest issue but the EIB bond was well received, despite the fact that all the banks in Germany, Switzerland and Holland which were invited to participate in the management group by the lead managers, Hambros, declined. The issue caught the market as it was moving up and by Friday some of the banks which had declined to be managers were asking for large subcriptions.

The third new issue, for GMAC, offered the investor a return of 13.37 per cent, which observers felt was tight. This appears to be a feature of most GMAC issues but in this instance about 70 per cent of the paper had been preplaced.

To these three issues must be added three tranches of the $500m 3½ year "tap" bond for Sweden. $125m of which was arranged before the end of March. A further $50m was sold by the borrower directly to investors before Easter while a further two tranches, of $65m and $60m respectively, were placed by the lead managers, S. G. Warburg and Salomon Brothers, last Thursday and Friday. The yield offered to investors on these two latter tranches is believed to have been just below 15 per cent.

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CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead manager	Offer yield %
U.S. DOLLARS							
‡**†B. Airwys (g'teed UK)	125	1992	12	—	100	S.G. Warburg	—
SNCF (g'teed France)	50	1987	7	13¾	100	Chemical Bank	13.750
EIB	100	1990	10	13½	99¼	Hambros	13.845
‡GMAC	100	1985	5	13⅜	100	CSFB	13.375
D-MARKS							
Asian Devel. Bank	200	1990	10	10	100	Deutsche Bank	10.000
‡World Bank	150	1986	6	10	100	Deutsche Bank	10.000
‡World Bank	200	1990	10	10	100	Deutsche Bank	10.000
‡**Kingdom of Denmark	50	1987	7	10	100	West LB	10.000
SWISS FRANCS							
Buhrmann-Tetterode	40	1990	—	7	100	Banque Gutzwiller, ABN	7.000
‡IADB	80	1990	—	7	100	UBS	7.000
LUXEMBOURG FRANCS							
‡**Ennia NV	250	1985	5	13¾	100	Kredietbank (Luxem.)	13.750

* Not yet priced. ‡ Final terms. ** Placement. † Floating rate note. ⊕ Minimum. § Convertible. †† Registered with U.S. Securities and Exchange Commission. ¶ Purchase fund.
Note: Yields are calculated on AIBD basis.

CREDITS

BY PETER MONTAGNON

Japanese money for Belgium

AN INTERESTING feature of the current jumbo Eurocredit for Belgium, which has been raised to $1.2bn from an initial $1bn, is that it marks the return in force of Japanese banks to the syndicated credit market. No less than seven Japanese banks have joined the management group with a participation of $30m each. This gives Japan a 17.5 per cent share in the total transaction.

The banks concerned are: Bank of Tokyo, Dai-Ichi Kangyo, Industrial Bank of Japan, Long-term Credit Bank of Japan, Mitsubishi Bank, Sanwa Bank and Sumitomo Bank. The strength of their participation would seem to suggest that Japanese institutions are likely to concentrate on low-risk borrowers when allocating funds to this market. They have been allowed to participate again since April 1 and it is understood that the authorised funds at their disposal amount to some $5bn for the whole of the current fiscal year to March 31, 1981.

Indeed, the grest international interest in the Belgian deal points to something of a flight into quality in the syndicated loan market. Besides the four Belgian lead managers, the loan has attracted 32 managers, contributing $30m apiece.

The list includes Chase Manhattan and First Chicago, both of which participated in the $1bn Belgian credit signed last December. This shows that some U.S. banks at least are still prepared to entertain low margin deals, even though the latest Carter package prompted many to say that they would opt out of such business altogether.

All this means that a borrower such as France could still command an element below ½ per cent for any deal it chose to bring to the market. France has not tapped the medium-term credit market so far this year, although rumours surfaced last week of a possible deal for the state electricity concern, EDF.

Spreads, which are rising in some selected cases, are thus likely to remain very fine indeed for top quality industrial country borrowers. For the developing countries and some smaller industrial nations the outlook is not so rosy, although even for them the increase in spreads is still fairly restrained.

Brazil's Banco Nacional do Desenvolvimento Economico, for example, awarded a mandate last week to Bank of Montreal for a $350m credit on terms that were basically only ⅛ per cent harder than those obtained last month by the oil concern Petrobras.

A somewhat sharper increase has been recorded by Thailand, which is raising a $100m credit organised by Societe Generale. Terms provide for a spread of ⅞ per cent over eight years. This compares with previous borrowings at ⅝ per cent over 10 years earlier this year.

Meanwhile, the fine terms Mexico seems set to achieve on its large forthcoming borrowings should perhaps be viewed as something of a special case, since the credits coincide with visits by President Jose Lopez Portillo to countries whose banks are providing the funds. Bank of Montreal is to arrange a $250m, seven-year credit with a spread of ½ per cent throughout. Banque Nationale de Paris sent an offer to the Mexican authorities on Friday for a similar amount over eight years. Spreads were not disclosed but they are likely to be split between ½ and ⅝ points. The loan will be a club deal also involving Credit Lyonnais and Societe Generale.

In Germany Deutsche Bank is acting as agent for a further Mexican club deal, stated to be for $300m, which will also involve Dresdner Bank, Commerzbank, Westdeutsche Landesbank, Bayerische Landesbank and DG Bank. This deal is also expected to carry a split spread of ½ and ⅝ and be signed on May 20.

Among other deals to emerge last week was one amounting to $55m for Sheikh Sultan Bin Mohammed Al-Qasimi, ruler of the emirate of Sharjah. The credit is guaranteed by the Emirate of Abu Dhabi and has been arranged by the National Bank of Abu Dhabi.

The loan bears a maturity of five years and a spread of ⅝ per cent over London Interbank rates. Proceeds will be used for general purpose requirments of the borrower.

Elsewhere, Industrie Pirelli is raising C$55m over four years with three years' grace and a spread of ⅞ per cent. Proceeds are to finance Pirelli's share of a contract with the British Columbia Hydro and Power Authority to lay submarine cables between Vancouver Island and the Canadian mainland. Managers are Orion Bank and Credito Italiano.

U.S. BONDS

BY IAN HARGREAVES

Five days of cheer

IT HAS BEEN a good week-end for Wall Street. The source of greatest immediate satisfaction, without doubt, is the ending of the ten-day New York public transport strike, but both the credit markets and the stock markets ended last week cheerfully, even though traders did not have this happy news when they left their desks on Friday.

The source of the cheer was the strongest bond market rally since President Carter and the Federal Reserve announced their latest attack on inflation.

Although all optimistic reports must be prefaced with a warning of the thinness of the markets which have produced this rally, the fact that the market sustained an upward push for five consecutive trading days cannot be easily dismissed as an aberration.

On Thursday alone Government bonds—there has been an emphasis on buying into quality throughout the rally—put on almost three points. The yield on a 30-year Treasury bond ended the week at 11.48 per cent, down from 12.75 per cent a week earlier.

This pattern was mirrored, albeit slightly less sharply, in Bell System issues, with long-term bond yieds down from 13.87 to 12.45 per cent on the week, and in Industrials.

At the short end, there was a slightly more erratic pattern, but sufficient downward momentum to take three-month Treasury bills from 15.05 per cent at the end of last week to 13.80 per cent at the close on Friday.

By the end of the week, some analysts were confidently predicting the first drop in the prime rate since the anti-inflation programme sent it roaring upwards. Apart from two small banks (which cut to 19¾ and 19½, the banks did not oblige and this key lending rate ended the week where it began, at a record level of 20 per cent.

In spite of this, the auguries for a cooling down of the U.S. economy continue promising if not yet decisive. Retail sales are sliding steadily, business inventories rose 0.7 per cent in February, but adjusted for inflation showed their fifth consecutive monthly decline. The money supply figures, published late on Friday, were stable. M1-B, the broader measure, increased fractionally in the week ended April 2 to $391.5bn and for the four weeks averaged a 4.2 per cent rate of increase, compared with the Fed's estimated 5 per cent target

All this is very positive for falling interest rates, but there are still strongly conflicting signals. In spite of the February business inventory figures, business loans in the week ended April 2 soared by $1.36bn, the biggest weekly rise since late December. This probably indicates some inventory building as sales have turned down. The Fed also revealed on Friday how much it is costing the big banks to meet its new reserve requirements. These reserves almost quadrupled to $2bn, putting further pressure on banks' costs.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	83⅞	84⅜	+1⅛	+2⅜	13.06
Alex Howden XW 9½ 81	30	†66	68	0	0	16.02
Australian Res. 9¾ 84	30	85¾	86¼	+0¼	+2	14.19
Avco O/S Cap. 10¾ 87	40	74½	76	0	+1	16.38
Beneficial Fin. 9¾ 87	100	82¼	82⅞	+1⅛	+3½	13.64
CECA Grad. Rate 12 85	100	89	89½	+0⅛	+0⅞	14.65
CECA 11¼ 90	50	87	88	+0⅛	+1⅛	14.03
Canadian Pacific 9¾ 89	50	82¼	82¾	+0½	+1⅞	13.15
Carter Hawley 9¾ 86	50	82¾	82¾	+0⅛	+1⅛	14.13
Comalco Inv. E. 10¼ 91	40	82¼	82¾	+0⅛	+2⅜	13.34
Continental Grp. 9¾ 86	100	82⅜	82⅝	0	+1⅛	14.03
Dome Petroleum 10 94	50	77⅞	78⅜	0	+0⅛	13.52
Dominion Bridge 10¼ 84	30	88⅜	89⅛	+1⅛	+1⅛	13.50
EIB 11¼ 92	80	87⅞	89	+0⅛	+3	13.50
EIB 10.15 99	100	†78	80	+2¼	+5	13.62
Ekportfin 11¼ 87	50	90⅛	90⅞	+0⅛	+2⅛	13.41
Export Dv. Cpn. 9¾ 84	100	85⅛	86⅛	+0⅛	+2⅛	14.15
Export Dv. Cpn. 9¾ 84	150	85⅞	86⅜	−0⅛	+2	14.15
Finland 9¾ 89	100	80	80½	+0⅛	+4⅛	13.86
GTE Finance 9¾ 89	55	81⅛	82⅛	+0⅛	+2⅛	13.28
GMAC 9¾ 86	100	82⅛	82⅝	+0⅛	+1⅛	13.63
GMAC O/S Fin. 11 84	100	90⅛	91¼	+0⅛	+1⅛	13.68
Gould Int. Fin. 9¾ 85	50	86⅝	87⅛	+1⅛	+3⅛	13.58
ITT Antilles 9½ 89	75	79⅛	79⅝	−0⅛	+2	13.99
Kennecott Int. 9½ 86	100	81⅞	82⅛	+0⅛	+2½	14.04
Manitoba 9½ 89	75	78⅝	79⅛	−0⅛	+1	13.71
Michelin 10 94	125	79⅝	80⅛	+0⅛	+4⅛	13.14
Nat. Des. Telecm. 9½ 86	100	83⅜	83⅞	+0⅛	+2	13.56
New Brunswick 9¾ 94	75	77	77½	+1⅛	+3⅛	13.44
Newfoundland 10 94	50	81⅛	81½	+0⅛	+3⅛	12.95
Norges Komm. 9⅞ 99	100	76½	77	−0⅛	+4⅛	13.66
Norway 9½ 84	150	86⅝	87⅛	+0⅛	+2⅝	13.89
Nova Scotia Pwr. 9¾ 89	50	82	82½	+1⅛	+2⅛	13.21
Occidental Fin. 10¼ 84	50	88½	89	+1⅛	+2½	13.98
Pennwalt O/S F 9¾ 84	25	87⅜	87⅞	+1⅛	+3⅛	13.85
Pepsico Cap. 9½ 84	100	86⅜	86⅞	0	+1⅛	13.91
Quebec Hydro 10 99	75	79⅛	79⅝	+1⅛	+3⅞	13.06
Sears Roebuck 9 82	150	90⅞	91⅜	+0⅛	+1⅛	14.79
Statoil 9¾ 89	100	81½	82	+0⅛	+2⅛	13.11
Sweden 9¾ 89	100	81½	82	+0⅛	+2⅞	13.33
Sweden 9½ 86	200	85	85½	+0⅛	+4	13.55
Sweden 9¾ 84	100	88⅜	88⅞	+1⅛	+3⅛	13.41
Unilever NV 9¾ 87	100	82¼	92¾	+1½	+2¾	13.11
Warner-Lambert 9 84	100	84⅞	85⅜	+0⅛	+1⅛	13.90

Average price changes... On day +0⅛ on week +2½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	†90	90½	−0½	+0⅛	8.87
Asian Dev. Bk. 7¼ 89	100	†83½	84	+1⅛	+3⅛	10.00
Australia 8¼ 90	250	95⅛	96⅛	+1⅛	+0⅛	8.78
Barclays O'seas 6¾ 89	100	†82¼	83¼	+1	+2¼	8.69
BFCE 7¾ 87	100	82⅝	83½	+1	+1⅞	8.17
BFCE 8¾ 95	100	90⅞	91⅛	+1⅛	+4	8.23
Brazil 8 87	150	87⅛	88¼	0	+0⅛	10.44
CECA 7 91	150	85⅜	86⅜	+1⅛	+2⅛	9.04
Council of Eur. 7¼ 89	100	87⅜	88⅜	+1	+0⅛	9.31
Denmark 7⅞ 86	100	†92½	93½	+1⅞	+3⅛	8.49
Denmark 8¾ 92	100	†89⅞	90⅜	+1⅛	+2¼	8.74
ESC 7⅞ 94	225	88⅜	88⅞	+1	+1⅛	8.34
EIB 7½ 89	200	86⅜	86⅞	+0⅛	+3⅛	9.43
Finland Rep. of 8 86	150	91⅞	92⅝	+0⅛	+0⅛	8.61
Kobe, City of 7¼ 89	150	84⅛	84⅞	+1	+1½	9.68
Neder. Gasunie 8 85	100	92	93	0	+1	8.58
New Zealand 7½ 87	200	†87⅞	88⅛	+1	+3	8.43
Norges Komm. 7⅞ 91	150	†87	88	+0⅛	+0⅞	9.61
Norway 7½ 85	250	95½	96	+0⅞	+2⅛	8.81
OKB 7¾ 89	100	84⅛	85⅛	+1	+2⅛	8.87
Oslo, City of 8¾ 90	80	97⅞	98⅜	+3⅛	+2⅛	9.04
World Bank 7¾ 81	400	88⅜	88⅞	+2⅛	+4⅛	9.45
World Bank 7⅞ 90	250	90	90⅝	+1⅛	+2⅛	9.42

Average price changes.. On day +1⅛ on week +2⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	87⅛	87⅞	+0⅛	+0⅞	7.39
Aumar 6 89	60	86½	88⅛	+0½	+1⅞	7.05
Australia 3¾ 89	250	88	88½	+1½	+8⅞	5.30
Bergen, City of 4¾ 91	40	85⅝	86⅛	+1⅛	+2⅛	6.56
BNOE 5 89	75	90½	91	0	+1⅛	6.01
BMW Overseas 4¾ 91	100	87⅞	88⅜	+1⅛	+4⅛	5.88
Caisse Nat. Tels. 4¾ 89	100	89½	90⅛	+2½	+6⅛	5.78
CCCE 5¾ 90	100	97	97½	+0⅛	+2½	6.13
Copenhagen 4½ 91	60	81	81½	+3	+3⅛	6.92
Council of Eur. 5 89	100	88	88½	+0⅛	+3	6.69
EIB 4½ 91	100	86	86½	+2⅛	+6⅛	6.24
EIB 4⅛ 94	100	83	83½	+4½	+4⅛	6.16
Elec. de France 4¾ 89	100	89	89½	+1	+3⅛	6.91
GZB 4¾ 89	100	85	85½	+1	+0⅛	6.36
Hilti 4¾ 91	35	89	89½	−0⅛	+4½	5.53
Int.-Amer. Dev. 4½ 89	100	85	85½	+3	+4⅛	6.67
Jutland Tele. 5½ 90	50	97	97¾	+2⅛	+3⅛	5.86
Malaysia 5 89	80	85	85½	+0½	+1½	7.19
Nippon Tel. & T. 4¾ 89	100	91	91½	−1	+8½	6.45
Nordic Bank 5 89	45	92½	93⅛	+2⅞	+2⅛	6.00
Norges Komm. 4¾ 91	100	84	84⅛	+1⅛	+3⅛	6.34
OKB 3¾ 91	100	79½	80	+4⅛	+1⅛	6.38
OKB 4¾ 91	100	85	85½	+4½	+5	6.20
OKB 6 90	100	98⅜	99⅛	0	−0⅛	6.17
Oslo, City of 4⅞ 91	100	83½	84	+3⅛	+4⅞	6.41
Shikoku El. Pwr. 4¾ 89	100	94	94½	+3⅛	+9	5.55
Stweag 4¾ 91	60	88	88½	+2⅛	+3⅛	6.23
Voest-Alpine 4¾ 89	90	88	88½	−0½	+2	6.49
[illegible]						

Average price changes... [illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	82	83	+0½	+1⅞	11.95
Australia 6½ 88	20	72⅞	73⅞	0	+0⅛	11.75
EIB 7¾ 89	12	81½	89	+2¼	+2	10.84
Finland 5.6 83	10	80⅝	81½	+0⅛	−1⅞	12.38
Finland 8.8 88	10	74	75	−0⅛	0	11.84

Average price changes... On day +0½ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10¾ 88 C$	25	77	78½	−0⅛	−1⅛	15.25
Bell Canada 10¾ 86 C$	60	84⅞	85⅜	+0⅛	−0⅛	14.39
Cr. Foncier 10¾ 84 C$	30	85	86	+0⅛	0	16.03
Ex. Dev. Cpn. 10 84 C$	50	85⅝	86⅛	+0⅛	−0⅛	14.82
Fst. Can. Inv. 10 84 C$	30	78⅜	79⅜	+0⅛	+0⅛	14.91
Hudson Bay 10½ 89 C$	60	82⅞	84⅜	+0⅛	+1⅛	14.48
Quebec 10¼ 86 C$	50	85⅜	86	+0⅛	+0⅞	13.57
R. Bk. Canada 10 86 C$	40	75⅜	76⅜	+0⅛	+0⅛	14.00
R. Bk. Canada 10 94 C$	40	87⅜	89	+0⅛	+0⅛	10.55
Copenhagen 8¾ 91 EUA	28	90⅛	91⅛	0	+1⅛	10.35
M. Bk. Dnmk. 9 91 EUA	25	82	84	0	+1½	11.36
SOFTE 8¾ 89 EUA	40	87	98	0	−0⅛	8.90
U. Bk. Nrwy. 9½ 90 EUA	18	93⅛	93⅝	+0⅛	+2⅛	10.11
Algemene Bk. 8¼ 84 Fl	75	92⅛	92⅝	+1⅛	+2⅛	11.08
Ned. Gasunie 8¾ 84 Fl	50	93⅛	93⅝	+1⅛	+4⅞	10.37
Ned. Middbk. 8¼ 84 Fl	75	92¼	92⅞	+0⅛	+2	10.68
Norway 8¼ 84 Fl	100	92⅝	93⅛	+0⅛	+1⅛	10.29
Norway 8¼ 84 Fl	100	92½	93	+0⅛	+1⅛	10.66
Philips Lamps 8¼ 84 Fl	75	90½	91⅛	−0⅛	+1⅛	13.80
Air France 11 84 FFr	120	101½	102⅛	+0⅛	+3½	13.76
CECA 14¼ 86 FFr	150	80½	81½	+0⅛	+1⅛	14.13
Euratom 9¾ 87 FFr	150	89	89⅛	−0⅛	+1⅛	14.30
Finland 11 84 FFr	80	84⅛	85⅛	+0⅛	+0⅛	14.62
Finland 11¾ 89 FFr	70	91⅛	91⅞	+0⅛	+1⅛	13.57
Gaz de France 11 84 FFr	150	90⅛	91⅛	+0⅛	+1⅛	14.52
IBM France 11⅞ 84 FFr	120	81⅞	82⅞	0	−0⅛	14.78
Renault 9¾ 85 FFr	100	80⅛	81⅛	0	+0⅞	14.59
Saint-Gobain 9¾ 86 FFr	130	76⅜	77⅜	+0⅛	−0⅛	15.25
Solvay et Cie 9¾ 87 FFr	125	91⅞	92⅜	+0⅛	+1⅛	15.06
Citicorp O/S 13½ 90 £	50	84⅜	85⅜	+1	+3	14.24
EIB 11½ 91 £	25	90⅛	91	+1⅛	+3⅛	14.77
Finance for Ind. 13 91 £	15	87⅜	87⅞	+0½	+2⅛	15.06
Fin. for Ind. 12½ 89 £	30	96⅛	98⅞	+0⅛	+1⅛	15.27
Fin. for Ind. 14⅛ 89 £	20	89⅛	90	+0⅛	+0⅛	14.64
Gen. Elec. Co. 12½ 89 £	50	†93	93½	0	0	9.75
Indonesia 8¾ 91 KD	7	†89⅛	90⅛	0	−1⅛	10.44
Mitsubishi 7½ 84 KD	10	†93⅛	93⅞	0	0	8.63
Norges Kom. 7½ 89 KD	12	†90¼	90⅝	0	0	8.68
Occidental 8¼ 91 KD	7	86	87	+2⅛	+2⅛	12.05
Akzo 9¾ 87 LuxFr	500	83⅛	84⅛	+0⅛	+5⅞	11.55
Euratom 8 87 LuxFr	500	82⅛	93⅛	+2⅛	+5⅛	11.18
Eurofima 9¾ 89 LuxFr	500	81½	92⅛	0	+2⅛	11.33
EIB 9¾ 88 LuxFr	600	90⅞	91⅞	+1⅞	+4⅞	11.48
Volvo 9¾ 87 LuxFr	500					

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¾ 87	0¾	96¼	96¾	2/7	16¾	15.67
Banca di Roma Int. 8 87	0¾	98⅜	99⅛	26/4	15⅛	15.93
Bank of Ireland 5¾ 89	‡0¾	96⅞	97⅛	21/5	16⅛	16.62
Bank of Tokyo 5¼ 89	‡0¾	97	97½	25/4	14.56	14.97
Barclays O/S Inv. 5 90	0¾	96½	97	13/6	14⅞	14.73
Bergen Bk. A/S 6 89	‡0½	96½	97⅛	28/5	17⅛	17.81
Bque. Indo Suez 5¼ 89	0⅛	96⅞	97⅛	11/7	14.69	15.12
Citicorp O/S F. 6 94	‡0¼	99⅛	99⅝	8/5	18.81	18.93
Citicorp O/S F. 83	§‡0	98⅞	99⅛	23/5	18.06	18.20
Citicorp O/S F. 84	‡0	99⅛	99⅛	30/5	15.94	17.02
C. Itoh 5¾ 87	0¼	98½	99	18/9	19.44	18.68
Co-operative Bk. 5 86	0¾	97⅛	97⅝	15/5	15.06	15.46
Creditanstalt 5½ 91	§‡0¼	98⅛	98⅝	14/6	16.44	18.72
CNT 5¾ 86	§0¼	99⅛	99⅝	16/4	15.19	15.26
GZB 5½ 89	‡0¼	97⅜	98⅛	1/5	14⅛	14.94
Jugobanka 8 89	0⅞	91	92	23/5	16	17.49
Ind. Bank Japan 5¾ 87	0¼	98	98½	15/4	14⅛	14.60
LTCB Japan 5¾ 86	0¼	96⅞	97⅛	13/6	14⅛	14.67
LTCB Japan 5½ 89	0¼	96⅛	96⅝	7/6	14.19	14.72
Mfrs. Han. O/S 5¾ 94	‡0½	98⅛	98⅝	30/6	17⅛	17.39
Midland Intl. Fin. 5 89	0¼	97⅜	98⅛	20/6	15	15.31
Nacional Fin. 6¾ 88	0¼	96⅞	97⅛	25/7	14.69	15.12
Nat. West. 5¾ 94	§0¼	97½	98	11/10	18⅛	19.05
Nippon Credit 6½ 86	0½	95⅜	96⅛	12/7	14.44	15.04
Nippon Credit 5¾ 87	‡0¼	87	97⅛	6/6	14.69	15.10
Royal Bk. Scot. 5¾ 94	§‡0¼	98½	99	11/7	19½	18.75
Soc. C. de Bque. 6½ 87	0¾	98	98½	3/10	20.06	20.42
Sogenal 5¾ 89	§0¼	96½	97	13/7	14.44	14.92
Standard Chart. 5¾ 90	0¼	97⅜	97⅞	8/9	17⅛	17.62
Sweden 8¾ 81	‡0¼	96½	97¼	18/4	14.44	14.88
TVO Pwr. 9 91 (D-lock)	0¾	98⅛	98⅝	24/5	15.31	15.87
Williams & Glyn 5⅞ 91	0¾	97½	98	14/6	18½	18.93
Bq. E. d'Alg. 4¾ 89 SF	0¾	86½	87	18/6	6.96	7.71

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†102	103	+1	−11.17
Ajinomoto 7¾ 95	2/80	618	88⅜	89⅛	−0½	−1.15
Alco Int. Fin. 9½ 94	1/80	40	83½	84½	+0⅛	28.59
Asahi Optical 7 94	11/79	605	81½	82½	0	14.96
Canon 6¾ 94	8/79	670	86⅝	87¼	0	7.20
Ciba-Geigy O/S F. 4 94	9/79	675	†64	65	+1	−1.45
Credit Suisse 4¾ 93	10/79	1325	87	88½	0	−1.62
Daiei Inc. 6½ 94	11/79	1020	88½	89½	+0⅛	41.20
Ensearch Fin. 9½ 94	7/80	30.25	98⅜	99⅛	+0⅛	8.88
LPC Internatnl. 8 89	9/79	23.33	†88	89	+1½	7.26
Meidensha Elec. 7 94	12/79	210	87⅛	88⅛	−0⅛	17.61
[illegible]						

BONDTRADE INDEX AND YIELD

	Medium term		Long term	
Apr. 11 ...	87.03	12.11	74.28	12.63
Apr. 3 ...	86.39	12.30	72.96	12.93
High '80 ...	91.03	(2/1)	89.19	(2/1)
Low '80 ...	86.32	(2/4)	71.54	(29/2)

EUROBOND TURNOVER
(nominal value in $m)

U.S. $ bonds	Cedel	Euroclear
Last week ...	1,148.5	1,240.7
Previous week ...	938.8	1,347.5
Other bonds		
Last week ...	160.8	256.5
Previous week ...	260.9	264.4

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Arab Company for Trading Securities SAK; Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bankers Trust International; Bondtrade; Credit Commercial de France (Secs.) London; Citicorp International Bank; Daiwa Europe NV; Deltec Trading Company; Dillon, Read Overseas Corporation; EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nesbitt Thomson; Salomon Brothers International; Samuel Montagu and Co.; Scandinavian Bank; Strauss Turnbull and Co.; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on April 11

WORLD STOCK MARKETS

NEW YORK

CANADA

HOLLAND

HONG KONG

JAPAN

ITALY

NORWAY

SWEDEN

SWITZERLAND

FRANCE

AUSTRALIA

SOUTH AFRICA

TEL AVIV

BRAZIL

AUSTRIA

BELGIUM/LUXEMBOURG

GERMANY

DENMARK

SINGAPORE

Indices

NEW YORK—DOW JONES

	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 5	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
● Industr'ls	781.55	781.47	703.82	775.88	788.34	784.13	803.84 (13/2)	758.98 (27/3)	1051.78 (11/73)	41.22 (2/7/30)
H'me B'nds	85.84	65.73	65.63	66.22	64.65	64.19	74.01 (5/1)	63.87 (28/3)	—	—
Transport.	250.88	253.48	258.56	246.06	243.38	249.17	388.68 (5/2)	233.88 (27/3)	305.88 (5/2/20)	13.28 (8/7/32)
Utilities	105.43	106.06	103.83	102.27	151.53	108.03	113.48 (15/2)	58.84 (27/3)	1M.52 (20/4/69)	10.52 (28/4/42)
TradingVol '000's†	28,950	65,948	63,020	51,700	28,153	27,870	—	—	—	—

● Day's high 800.85 low 780.52

Ind. div. yield %	Apr. 3	Mar. 28	Mar. 21	Year ago (approx)
	6.30	6.70	6.60	5.65

STANDARD AND POORS

	Apr. 11	Apr. 10	Apr. 9	Apr. 8	Apr. 7	Apr. 3	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	118.45	116.35	115.83	113.55	112.45	114.78	134.47 (15/2)	111.05 (27/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	133.73	104.86	103.11	101.20	100.13	102.15	115.44 (13/2)	98.22 (27/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Apr. 9	Apr. 2	Mar. 26	Year ago (approx)
Ind. div. yield %	5.74	6.76	5.97	6.08
Ind. P/E Ratio	7.14	7.19	6.94	8.57
Long Gov. Bond Yield	11.64	12.24	12.59	9.00

N.Y.S.E. ALL COMMON

Apr. 11	Apr. 10	Apr. 9	Apr. 8	1980 High	1980 Low
59.00	59.05	58.41	57.38	67.77 (13/2)	53.30 (27/3)

Rises and Falls

	Apr. 11	Apr. 10	Apr. 9
Issues Traded	1,911	1,902	1,876
Rises	964	1,241	1,147
Falls	615	349	369
Unchanged	332	311	359
New Highs	—	11	7
New Lows	—	28	01

MONTREAL

	Apr. 11	Apr. 10	Apr. 9	Apr. 8	1980 High	1980 Low
Industrial	357.67	391.77	366.56	345.47	425.80 (29/2)	325.21 (27/3)
Combined	326.62	327.95	323.84	315.17	378.68 (29/2)	298.90 (27/3)
TORONTO Composite	1871.5	1877.5	1858.1	1815.8	2192.3 (29/2)	1782.5 (27/3)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
IBM	651,700	53½	−¾	Texaco	291,400	34½	−⅛
ATT	570,100	50	+¼	Exxon	255,400	57¼	−⅛
Sony	556,900	8	+¼	Eastman Kodak	229,800	49½	−⅞
Harlan Zimen	475,500	12⅞	—	ASC	228,700	26½	−⅛
Bogs Prod.	357,700	18⅜	+⅛	Consumer P'w'r	223,000	18⅛	+⅛

	Apr. 11	Apr. 10	Apr. 9	Apr. 8	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	782.22	792.78	788.25	787.61	847.47 (14/2)	760.00 (2/1)
Metals & Minls (1/1/80)	4772.35	4886.15	4930.83	4844.55	5600.95 (14/2)	4551.25 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	97.45	57.56	97.49	97.60	99.40 (7/1)	97.43 (11/4)
BELGIUM						
Belgian SE (31/12/63)	90.08	92.95	91.66	91.82	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	75.47	75.07	77.08	76.68	83.74 (2/1)	74.79 (6/3)
FRANCE						
CAC General (29/12/61)	100.18	104.5	103.1	105.1	117.55 (22/2)	97.1 (3/1)
Ind Tendance (29/12/79)	100.50	93.7	38.9	96.4	109.70 (15/2)	95.60 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	217.51	219.57	214.66	215.80	238.89 (25/2)	212.75 (28/3)
Commerzbank (Dec. 1953)	683.50	675.7	679.7	673.9	748.2 (26/2)	667.9 (27/3)
HOLLAND						
ANP-CBS General (1970)	75.60	79.8	77.8	77.4	87.6 (11/2)	74.8 (27/3)
ANP-CBS Indust. (1970)	63.90	65.2	62.9	69.2	68.8 (11/1)	60.2 (30/3)
HONG KONG						
Heng Seng Bank (31/7/64)	800.30	785.04	775.16	773.52	865.17 (15/2)	750.82 (13/3)
ITALY						
Banca Comm. Ital (1972)	31.14	31.51	31.40	33.94	35.51 (26/2)	83.11 (3/1)
JAPAN						
Dow Average (16/5/49)	6751.55	6730.81	6708.24	6682.54	6834.58 (14/2)	6470.M (27/3)
Tokyo New SE (4/1/68)	460.25	459.98	458.84	455.99	472.88 (14/2)	443.51 (18/3)
NORWAY						
Oslo SE (1/1/72)	122.08	117.64	115.2	114.59	144.78 (14/2)	112.14 (26/3)
SINGAPORE						
Straits Times (1966)	497.87	499.84	464.41	487.79	584.11 (8/2)	429.75 (3/1)
SOUTH AFRICA						
Gold (1958)	537.2	847.3	557.4	(u)	684.5 (3/3)	805.8 (4/1)
Industrial (1958)	487.3	488.3	488.8	(u)	517.2 (14/2)	456.5 (29/1)
SPAIN						
Madrid SE (28/12/79)	90.29	90.51	60.88	60.95	105.29 (31/3)	86.29 (11/4)
SWEDEN						
Jacobson & P. (1/1/58)	383.16	382.84	365.17	368.80	388.68 (8/2)	354.72 (17/1)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	283.40	281.5	280.4	278.1	317.8 (11/2)	278.0 (26/3)
WORLD						
Capital Intl. (1/1/70)	—	126.1	124.3	121.3	146.5 (13/2)	129.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

FINANCIAL TIMES

Eurobond Quotations and Yields

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

At 31st MARCH 1980

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from qnotations obtained from market-makers on the last working day of each month.

There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres.

Membership of the AIBD (which was established in 1969) comprises over 550 institutions from about 30 countries.

Eurobonds in March

MARCH saw a new set of economic measures from the U.S. aimed, this time, not at strenthening the dollar but at curbing inflation. However, the effect was to push up interest rates to record levels and this boosted the dollar against the bard currencies. This led to investors losing interest in the Deutschemark and Swiss franc bond sectors and yields were forced up to high levels. In Germany the March calender for new iasues already small, was reduced to almost balf size and the calender announced for April was miniscule. In Switzerland the major banks agreed to temporarily close the new issue market.

Dealers in Germany suspected investors of shifting money out of bonds and into time deposits, or, less likely, huying U.S. bonds, particularly good quality short-term paper with high yields, or Floating rate notes (FRNs). The more attractive FRNs were, as usual, tbose whose coupons were as usual, those whose coupons were about to be fixed.

Dollar bond prices followed no trend during the month while dealers, not wanting to be left in short positions, waited in anticipation of the "Carter package" and its consequences. The package waa generally welcomed although some economists had hoped for a tougher line to be taken. Unlike its predecessor last October its effect on the bond market over the following week was undramatic. The dollar sector, together with the Swiss sector, edged up slightly while the D-Mark sector fell a couple of points after the increase in Prime rates by the U.S. banks to 19 per cent.

The lugubrious state of the major European markets was highlighted by the April calender for new Deutschemark borrowings. This contained one aingle issue. The March calender had also been small and with two postponements was reduced to DM 380m. A DM 200m issue for IBM constituted the April calender and Deutsche Bank, the lead manager, aet the coupon at 10 per cent, a level unprecedented for around five or six years.

In the dollar sector the Kingdom of Sweden issued a straight dollar bond, the first of this kind since last summer. Tbe issue is for $125m, part of a total of $500m of which the remainder is scheduled to be floated by the end of the year. This "tap" feature is as unusual as the method of selling. No fixed coupon was offered but instead the boods were sold on a guaranteed yield of about 15¼ per cent. With a minimum investment of $250,000 rather than the normal $5,000 these bonds were clearly aimed at the institutional investor and central banks.

Theoutcome of the issue was being closely monitored by the market. It has become apparent element. Deutsche Bank numbered the bonds and introduced a clause enabling it to recover the full amount of the selling group concession from any underwriter which sold the bonds on the market until three months from the date of issue.

Sweden was also a borrower in the D-Mark sector and the DM 200m issue, by Deutscbe Bank contained an unusual clause. To control the distribution of tbe bonds, Deutscbe Bank alloted an index number to each one. This enabled the bank to recover tbe full amount of the selling group concession from any underwriter wbich sold the bonds on the pre-market until three months from the date of issue.

Itel, the troubled U.S. computer leasing company, made news again in the Eurodollar bond market in March. The company, whose bonds were already at the lower end of the price list, made a statement to the effect that it would stop repaying $230m of its unsecured debt including $95m in three Eurobonds. Prices of tbe bonds moved down by about 20 percentage points to a mid price of 22¼ per cent at wbich level the $40m 10½ per cent 1983 issue has a redemption yield just under 100 per cent! The interest due on April 1 was not paid and the company has until the end of the month before the bonds are declared in default.

Another unorthodox borrowing was arranged for itself by Citicorp. This floating rate note had an unspecified redemption date witb a minimum maturity of 2½ years. The $200m was raised with the condition that the bolder could redeem his notes after 2½ years or at every six montbs tbereafter. So if he chooses to leave his money in the bond for longer than 2½ years he would not be dependent upon the secondary market for liquidity. The FRN sector over the month was markedly stable and seems at present one of the safest in terms of capital depreciation.

Before the primary market closed, a number of Swiss franc foreign bonds met with a very cool reception on their first day of trading. Early in the montb, World Bank offering of SwFr 100m, carrying a coupon of 5¾ per cent fell to 92¼ from its issue price of 99 per cent to yield a full percentage point more; the Sanyo Electric issue, the first public convertible for a Japanese company, slumped to 92¾ from 99¾ per cent; and the European Investment Bank issue of SwFr 80m, cut from SwFr 90m, sbed five points from 98½ to 93½ per cent.

After beavy falls before the Carter package, the Swiss franc bond market witnessed a consolidation phase but this was viewed as temporary by most participants. It could have been the result of the drying up of new issues but the major banks seemed set to re-open the calender after Easter. Yields on this sector have riaen by ½ point on the month to around 7 per cent.

The Sterling sector was overall weaker so that tbe average yield was about 15¼ per cent, up ¼ per cent over the montb. This was the exact level at which the coupon for tbe only new bond of the month in this sector was fixed. Tbe Swedish Export Credit Corporation raised £20m for five years with Hambros Bank as lead manager. The issue is unlike other sterling issues in that it bas a U.S. dollar option.

Meanwhile the Euroyen new issue market was expected to make a return after a six-month absence. However, tbe planned Y10bn issue for Enrofima was cancelled as conditions were not suitable. There is another issue planned for April for the European Investment Bank. It is expected to be for Y15bn.

● The AGM of the AIBD will take place on May 16 in New York preceeded by a conference on "North America and the international securities markets" on May 15. Speakers include Mr. Robert Carswell—Deputy Secretary of the U.S. Treasury, Mr. John Heiman—U.S. Comptroller of the Currency and Mr. Eugene Rotberg—Treasurer of the World Bank.

CONTENTS

The table of quotations and yields gives the latest rates available on 31st March, 1980. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposea only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will trade in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY INTERBOND SERVICES LTD. ★ *A subsidiary of data STREAM International*

ISSUED/ EST. O/S (MIO)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	YIELD TO MATURITY/ AVE. LIFE	CURRENT YIELD
		US DOLLARS-ALGERIA			
15	1917 100.00	BQUE EXT D'ALGERIE 9.00 13/ 3/1982	88	25.35	10.22
		US DOLLARS-ARGENTINA			
50	1979* 98.50	ARGENTINE REPUBLIC 9.871 1/ 8/1986	78 1/2	17.26	12.58
		US DOLLARS-AUSTRALIA			
30 9.8	1965 97.50	AUSTRALIA,COMMONWEALTH 5.00 1/ 4/1983 S	89	9.50 13.76	5.70
25 1.6	1960 98.90	AUSTRALIA,COMMONWEALTH 5.25 1/10/1980 S	95	21.77 29.95	5.72
25 9.0	1991 97.00	AUSTRALIA,COMMONWEALTH 5.50 1/ 7/1981 S	92	13.47 20.49	6.07
80 8.5	1801 80.15	AUSTRALIA,COMMONWEALTH 1.50 11/ 1/1982 S	80	12.87 10.57	8.50
30 4.9	1962 97.50	AUSTRALIA,COMMONWEALTH 9.90 1/ 7/1462 S	89 3/4	11.03 15.28	8.22
25 4.2	1962 99.00	AUSTRALIA,COMMONWEALTH 5.50 1/10/1982 S	85 5/2	10.15 14.32	8.17
25 8.9	1965 90.50	AUSTRALIA,COMMONWEALTH 9.50 1/ 5/1985 S	86 1/2	9.05 12.04	8.46
25 8.3	1965 99.75	AUSTRALIA,COMMONWEALTH 5.75 1/11/1985 S	89	6.41 10.22	8.57
25 9.6	1507 97.50	AUSTRALIA,COMMONWEALTH 8.50 13/ 6/1982	50 1/2	11.59 12.82	7.18
100	1977 100.00	AUSTRALIA,COMMONWEALTH 7.50 1/ 9/1984	77 3/4	14.65	8.65
350	1978 100.00	AUSTRALIA,COMMONWEALTH 8.00 1/ 4/1982	87	16.11	9.80
125	1978 00.50	AUSTRALIA,COMMONWEALTH 8.125 15/11/1982 S	85 1/4	14.69	10.00
75	1978 100.90	AUSTRALIA,COMMONWEALTH 8.25 1/ 0/1981 S	91 3/4	19.92	9.29
120	1976 100.09	AUSTRALIA,COMMONWEALTH 8.25 1/10/1983	82 5/4	14.87	9.97
125	1477 100.00	AUSTRALIA,COMMONWEALTH 6.25 1/12/1984 6	80 3/4	14.49	10.48
150 150.0	1977 100.00	AUSTRALIA,COMMONWEALTH 8.71 1/ 9/1982	70 1/8	11.26 14.64	11.16

هكذا من الأصل

Issued / Est. amount	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / average life	Current yield
		US DOLLARS—SWEDEN (CONTINUED)			
30 / 16.9	1970 / 99.50	L.M. ERICSSON 8.25 1/12/1985	91 1/2	11.34 / 12.17	10.11
35 / 30.4	1976 / 100.00	L.M. ERICSSON 9.15 15/ 9/1991	73	13.66 / 14.03	12.33
35	1976 / 100.00	MO OCH DOMSJO 9.00 15/10/1986	71 5/8	16.33	12.57
25	1976 / 100.00	MO OCH DOMSJO 9.50 15/ 2/1983	84	16.95	11.31
30	1977 / 99.25	SAAB-SCANIA 8.50 15/ 3/1984	70 3/8	14.54	12.01
15 / 11.3	1971 / 98.50	SANDVIK 8.00 2/ 8/1986	82 3/8	15.62 / 15.66	11.22
30 / 25.5	1976 / 100.50	SANDVIK 9.50 15/ 4/1986	83 1/4	13.75 / 15.17	11.41
30 / 25.0	1972 / 100.25	SCANRAFF 7.50 15/12/1990	68 7/8	13.04 / 15.92	10.89
30 / 26.5	1973 / 99.75	SCANRAFF 8.625 15/10/1988	80 1/8	12.49 / 13.32	10.71
40 / 55.5	1976 / 100.00	SKANDINAVISKA ENSKILDA 9.00 1/15/1991	74 3/4	13.37 / 16.42	12.04
20 / 25.1	1977 / 100.30	SKF 8.00 15/ 1/1987	74 5/8	14.01 / 15.55	10.72
20 / 20.0	1976 / 99.50	[illegible] 9.50 15/12/1986	64	19.91 / 23.67	14.84
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Issued / Est. amount	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / average life	Current yield
		US DOLLARS—UNITED KINGDOM (CONTINUED)			
45 / 28.5	1971 / 100.00	BEECHAM INT 8.25 1/ 2/1986	85	[illegible]	[illegible]
50 / 10.0	1971 / 100.00	BOWATER CORP 9.15 15/ 5/1992	79 1/4	[illegible]	[illegible]
30	1976 / 100.00	BOWATER CORP 9.75 15/ 7/1986	83 7/8	[illegible]	[illegible]
80	1976 / 100.00	BRITISH GAS 9.00 1/ 3/1981	98 1/8	[illegible]	[illegible]
16 / 12.8	1972 / 99.00	BRITISH LAND 8.00 1/11/1987	71 3/4	[illegible]	[illegible]
65 / 85.0	1972 / 100.00	BRITISH SHIPBUILDERS 9.00 1/11/1992	68	[illegible]	[illegible]
50 / 43.0	1974 / 99.00	BRITISH STEEL CORP 8.625 15/ 1/1989	77 1/8	[illegible]	[illegible]
30 / 28.0	1972 / 100.00	CADBURY SCHWEPPES O/S 7.75 15/10/1990	67 7/8	[illegible]	[illegible]
25 / 13.7	1971 / 98.50	CAPITAL & COUNTIES PROP 9.00 1/11/1986	79 1/4	[illegible]	[illegible]
50 / 49.0	1977 / 99.50	CARNGHAM INTL BV 9.18 15/12/1987	74 3/4	[illegible]	[illegible]
30 / 27.2	1971 / 100.00	COMMERCIAL UNION 8.50 15/15/1986	82 1/8	[illegible]	[illegible]
20 / 4.3	1970 / 100.00	COURTAULDS INT FIN 9.00 1/ 2/1982	92 5/8	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

CANADIAN DOLLARS (CONTINUED)

AMOUNT (M)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	YIELD TO MATURITY/YLD. TO AVG. LIFE	CURRENT YIELD
25	1977 100.00	CHRYSLER CREDIT - CANADA 8.25 15/ 6/1982	73	26.50	12.67
38	1976 99.00	CHRYSLER CREDIT - CANADA 8.50 15/10/2582	73	24.94	25.01
20	1076 100.00	CORN CREDIT CORP -CANADA 9.79 15/ 5/1581	92	10.16	10.00
30	1977 100.00	CREDIT FONCIER F-CAN 8.75 15/ 2/1982	00 3/8	16.41	8.00
30	3976 300.00	CREDIT FONCIER F-CAN 9.75 15/ 3/1981	94	17.65	18.37
25	1976 200.00	CREDIT FONCIER F-CAN 9.75 15/ 1/1982	93 5/4	15.32	10.60
30	1979* 100.00	CREDIT FONCIER F-CAN 10.375 15/ 9/1984	99 1/4	25.10	12.17
15	1977 200.00	DRESSER IND (CANADA) P 8.20 15/ 1/1982	85 1/2	17.91	8.94
00	1978 300.00	DU PONT OF CANADA 9.50 13/ 3/1981	93 3/4	17.74	10.13
50	1976 100.50	EUROPEAN COAL & STEEL 9.00 15/ 3/1983	86 1/4	15.09	10.43
25	1977 100.50	EUROPEAN COAL & STEEL 9.00 19/ 4/1984	83 1/8	14.84	10.83
30	1979* 300.00	EXPORT DEVELOPMENT CORP 10.00 15/ 5/1984	99 1/4	14.65	31.59
25	1972 100.00	FIRST CANADIAN INVEST 10.00 1/ 1/1981	94	19.07	99.84
30	1979* 100.50	FIRST CANADIAN INVEST 10.00 15/ 5/1984	82 1/4	12.03	11.73
20	1977 200.00	FORD MOTOR CREDIT-CANADA 8.50 15/ 5/1984	82	14.59	10.97
20	1977 99.00	FORD MOTOR CREDIT-CANADA 8.75 15/ 5/1987	76 1/4	14.26	12.48
50	1976 90.50	FORD MOTOR CREDIT-CANADA 9.22 1/ 2/1983	99	16.22	10.00
60	1976 100.00	FORD MOTOR CREDIT-CANADA 9.50 15/ 7/1982	87 5/4	16.99	10.85
40	1975 100.00	FORD MOTOR CREDIT-CANADA 9.75 1/11/1980	95 1/8	19.98	10.25
5	1979 100.00	GENELCAN D 9.00 15/11/1981	87	15.89	10.34
10	1975 100.00	GENELCAN O 8.50 1/12/1982	85	16.86	19.15
25	1977 100.00	GENERAL FOODS LTD 8.50 1/ 5/1984	81 5/8	16.00	10.41
30	1976 100.20	GEN MOTORS ACCEPTANCE 0.00 15/10/1901	90 3/4	16.19	9.92
50	1976 100.00	GEN MOTORS ACCEPTANCE 9.00 1/ 2/1982	99 1/8	16.28	10.10
40	1976 100.00	GEN MOTORS ACCEPTANCE 8.15 1/ 6/1982	00 1/6	14.06	10.40
00	1975 100.00	GEN MOTORS ACCEPTANCE 0.50 15/10/1981	91 5/8	15.92	10.27
50 50.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.20 1/ 2/1986	82 9/9	14.03 15.46	11.50
30 30.0	1976 100.00	GEN MOTORS ACCEPTANCE 9.12 15/10/1988	00 9/4	13.68 14.51	15.07
25	1977 200.00	WALTER E.HELLER (CAN) 9.50 12/ 7/1984	50	19.19	11.00
25	1976 98.50	WALTER E.HELLER (CAN) 9.75 15/ 6/1981	90 7/8	18.75	10.73
35	1975 100.50	HUDSON'S BAY 10.25 15/11/1981	93 3/4	19.50	11.17
60 00.0	1579* 100.00	HUDSON'S BAY 10.20 25/ 4/1900	78 1/4	19.05 15.75	15.42
99	1976 100.00	IAC LIMITED 9.50 15/ 5/1981	92	17.50	10.33
25	1977 100.00	INT HARVESTER CREDIT-CAN 8.75 1/ 2/1983	83 1/9	18.82	10.55
25 25.0	1976 99.50	INT HARVESTER CREDIT-CAN 9.75 11/ 4/1986	77 3/8	19.83 17.47	12.60
30	1973 100.00	INT HARVESTER CREDIT-CAN 10.22 1/ 9/1991	91 1/4	17.50	11.25
25	1876 180.00	IBE CANADIAN FINANCE 9.50 1/ 8/1982	09 1/8	15.16	10.91
25 22.5	1976 100.00	IBE CANADIAN FINANCE 10.00 1/ 8/1986	82	14.49 15.25	12.20
99	1976 99.50	KINROSS MORT.CORP 9.15 12/ 6/1982	89 1/4	12.29	10.36
20	1977 100.00	LAURENTIDE FIN CORP 9.20 99/ 6/1982	86 1/3	17.17	10.98
20	1976 99.00	LAVAL,CITY OF 10.00 1/ 7/1998	87	11.82	11.49
25	1977 100.50	MAN MAN LEASING CANADA 8.25 15/ 2/1982	86 1/4	16.39	9.27
25 15.8	1972 99.50	MANITOBA,PROVINCE OF 9.25 30/ 4/1985	00	12.28 14.21	10.51
60	1979* 99.00	MONTREAL,CITY OF 10.00 1/ 6/1989	76 1/8	14.43	15.60
9	1975 98.50	MONTREAL EAST,TOWN OF 9.75 18/ 7/1982	00	21.56	11.19
10 19.0	1973 100.00	NEWFOUNDLAND,PROVINCE OF 9.50 12/ 5/1983	88 1/2	14.29 14.58	10.75
50	1975 100.22	NEWFOUNDLAND,PROVINCE OF 10.25 15/12/1982	89 1/2	11.93	11.45
10	1975 99.50	NORANDA MINES 9.75 1/11/1980	95 3/8	18.41	10.25
99	1976 100.00	NORANDA MINES 9.75 15/ 7/1982	89 5/9	12.39	10.00
20	1976 99.50	NORCEN 9.75 15/ 4/1983	90 1/8	13.94	10.82
18	1974 99.25	NOVA SCOTIA POWER L 9.50 1/ 7/1994	92 5/8	10.51	10.26
30	1976 100.00	NOVA SCOTIA,PROVINCE OF 9.00 15/12/1983	85 7/8	14.11	10.50
35	1976 100.50	PANCANADIAN PETROL 9.75 15/11/1983	84 1/4	15.71	11.57
5	1979 98.50	POINTE-AUX-TREMBLES 9.75 18/ 7/1982	81	20.87	12.04
19	1976 100.00	PROVINCIAL BANK-CANADA 9.50 15/ 2/1982	91	15.34	10.44

CANADIAN DOLLARS (CONTINUED)

EUROGUILDERS (CONTINUED)

EURO CURRENCY UNITS

EURO UNITS OF ACCOUNT (CONTINUED)

KUWAITI DINARS (CONTINUED)

LUXEMBOURG FRANCS (CONTINUED)

AUSTRALIAN DOLLAR/DM

CONVERTIBLES-DENMARK

CONVERTIBLES-LUXEMBOURG

CONVERTIBLES-U.S. (CONTINUED)

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31st MARCH 1980

WestLB Euro-Deutschmarkbond Quotations and Yields

Advertisement

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8% ADELA 78/83	90.25	8.86	12.08	5.00	1. 4.83
7¼% ADELA 77/82 PP	77.00	8.42	21.28	2.21	18. 8.82
7% ADELA 77/82 PP	76.00	9.21	20.94	2.33	1. 8.82
6% AEG 66/81	86.25	6.23	10.89	0.83	1. 2.72—810
7¾% African Dev. Bank 79/86	86.00	9.01	10.98	6.17	1. 6.86
8% African Dev. Bank 79/87	89.50	6.94	10.03	7.58	1.11.87
6½% Airport Paris 69/84 PP (G)	92.00	7.07	10.50	2.95	1. 3.75—84D
9% AKZO 76/82 PP	87.00	9.28	10.85	1.83	1. 2.82
7¾% AKZO 76/83 PP	90.75	9.54	11.37	3.17	1. 9.83
8% AKZO 78/84 PP	80.75	7.43	12.39	4.00	1. 4.84
6½% AKZO 79/86 PP	81 00	9.02	11.04	6.82	1. 3.86
8¼% Alusuisse Int'l. 75/83	95.00	9.46	8.47	2.30	1. 8.81—83D
5½% American Expr. Int'l. 79/87	90.00	6.88	9.64	6.79	15. 1.87
6¾% AMEX Int'l. 77/88 PP	87.00	7.78	10.93	4.00	1. 4.84
10% A.P.E.L. 74/81 (G)	99.80	10.02	10.08	1.15	1.12.77—81D
7¾% ARBED Finance 76/83 PP	86.75	9.93	12.52	3.58	1.11.83
6¾% ARBED Finance 77/87	82.50	9.18	10.31	7.17	1. 8.83—87S
7½% ARBED Finance 79/86 PP	83.00	8.04	11.31	6.50	1.10.86
8¾% Ardal-Suendal 75/81 PP	96.00	9.11	12.31	1.25	1. 7.81
6¾% Ardal-Sunndal 77/89 PP	81.00	8.33	11.62	5.46	1. 7.82—89D
7½% Argentine 77/84	84.00	9.93	12.31	4.50	1.10.84
6½% Argentine 78/86	80.25	8.10	12.05	4.92	1. 3.85
6½% Argentine 78/88	77.50	8.39	11.61	6.47	1.11.84—88D
7½% Argentine 79/89	83.25	9.01	10.44	9.09	1. 5.85—89S
7% Asian Dev. Bk. 69/84	93.75	7.47	9.92	4.42	1. 9.75—84S
8½% Asian Dev. Bk. 75/80 PP	98.00	8.67	11.81	0.62	18.11.80
8% Asian Dev. Bk. 76/82	95.75	8.36	10.56	1.92	1. 3.82
7¾% Asian Dev. Bk. 76/83 PP	92.00	8.42	11.03	3.00	1. 4.83
7% Asian Dev. Bk. 77/85	87.00	8.05	10.47	6.00	1. 4.85
5½% Asian Dev. Bk. 78/88	73.25	7.51	10.58	8.08	1. 8.88
7¼% Asian Dev. Bk. 79/89	80.76	8.98	10.58	9.33	1. 9.89
7½% Asmer 73/88 (G)	90.00	8.33	10.87	4.06	1. 2.79—880
9% Asmer 76/84 (G)	96.75	9.30	9.92	4.37	16. 8.77—845
7¾% Asmer 77/84 (G)	89.25	8.68	11.03	4.25	1. 7.84
6½% Australia 67/82	87.00	6.70	7.80	2.58	1.11.73—82S
6¾% Australia 68/83	96.25	7.01	8.21	3.33	1. 9.74—83S
6½% Australia 69/84	96.50	8.74	7.71	3.83	1. 2.75—84S
7¾% Australia 69/84	97.00	7.47	8.20	4.58	1.11.75—846
7% Australia 72/87	94.00	7.45	9.17	6.83	1. 2.78—87S
10% Australia 74/80	100.15	9.99	9.44	0.50	1.10.80
9% Australia 75/82	101.00	8.91	8.38	1.83	1. 2.82
8% Australia 76/82 I PP	96.75	8.53	10.13	2.00	1. 4.82
8¼% Australia 76/82 II PP	97.00	8.51	9.90	2.08	1. 5.82
7¼% Australia 76/83	97.00	7.47	8.44	2.92	1. 3.83
5¼% Australia 77/82 PP	88.00	5.97	10.96	2.50	1.10.82
5¾% Australia 77/89	78.50	7.32	9.21	9.58	1.11.85—89S
6% Australia 78/83	79.25	7.67	8.71	8.42	1. 8.88
8% Australia 80/87 PP	97.25	8.23	8.48	7.87	1.12.87
8¼% Australia 80/90	95.00	8.55	8.80	9.92	1. 3.90
6¾% Austr. Ind. Dev. Corp. 72/87	88.00	7.87	10.72	3.82	1.11.78—870
6% Austr. Ship. Com. 76/83 PP (G)	100.50	7.96	8.58	0.42	1. 9.83
7% Rep. of Austria 66/82	100.00	7.00	7.12	2.00	1. 4.73—82S
6½% Rep. of Austria 69/83	89.75	6.52	8.70	3.00	1. 4.75—83S
9¾% Rep. of Austria 74/80 PP	99.00	9.85	11.38	0.55	1.11.80
9¾% Rep. of Austria 74/81 PP	99.00	8.85	10.38	1.87	1.12.81
8¼% Rep. of Austria 75/81 PP	97.76	8.44	10.34	1.17	1. 6.81
8¾% Rep. of Austria 75/82 PP	98.80	8.87	9.81	1 49	1. 4.79—82D
9% Rep. of Austria 75/83	100.50	8.99	8.77	2.83	1. 2.83
8¾% Rep. of Austria 79/83 PP	87.50	8.97	10.22	1 87	1. 4.79—830
8½% Rep. of Austria 79/87	98.76	9.81	8.74	7.08	1. 5.78—87S
7¾% Rep. of Austria 76/88	93.00	6.33	9.30	6 08	2. 5.83—88S
6¾% Rep. of Austria 77/85	89.50	7.54	9 48	5.00	1. 4.83—89S
7% Rep. of Austria 77/87 PP	85.50	7.89	9.75	6.83	1. 1.83—87D
6¾% Rep. of Austria 77/87 PP	85.50	7.89	9.75	8.83	1. 2 83—87D
6% Rep. of Austria 77/87 PP	80.00	7.50	10.96	5.85	1 9 84—870
5¾% Rep. of Austria 78/88 PP	78.79	7.49	11.14	8 18	15. 7.84—880
5¾% Rep. of Austria 78/90	77.50	7.42	9.15	10 68	1 11 85—90D
6¾% Rep. of Austria 78/84 PP	89.00	7.87	10.24	4.42	1. 9.84
7½% Rep. of Austria 79/87 PP	84.50	8.28	10.05	7.47	1 9.87
6¼% Rep. of Austria 79/89 PP	80.00	7 81	10 85	6 18	1 2.84—890
7¾% Rep. of Austria 79/89 PP	85.50	8 49	9.65	9.42	1 9.89
7% Autopistas Cataluna 78/85 PP	85.00	8.24	11.20	4 79	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	87.00	7.47	8.26	4.25	1. 7 73—84S
9% Autopistas Espanola 71/86 (G)	90.50	8.84	11 90	3.28	1 10.77—860
6¾% Autopistas Espanola 72/87 (G)	85.50	7.89	11.76	3 71	1.10 78—87D
7¼% Autopistas Espanola 79/85 PP (G)	86.00	8.43	11.09	4 92	1 3.85
7¼% Banco N. Desarrollo 79/86 (G)	81 25	8.92	11.83	5 92	1. 3.88
8% Banco N. Obras 71/86 (G)	91.50	8 74	10.02	6.58	1 11 77—86S
8% Banco N. Obras 76/81 (G)	87.50	9.23	10.91	1 42	1. 9.81

WestLB SD Certificates (Schuldschein-Index)

5 years maturity: 9.90%

7¼% Banco N. Obras 77/82 PP (G)	92.25	7.88	11 08	2 37	16 8.82
7% Banco N. Obras 77/83 PP (G)	91.25	7.87	11.08	2.54	18.10.82
7% Banco N. Obras 77/84 (G)	87 75	7.98	10.53	4 50	1 10.84
5¾% Bk. America Overs. Fin. 78/90	72.75	7.80	9.84	10.58	1.11.90
6% Bank of Tokyo 78/86 PP	78.00	7.89	11.35	5.83	1. 2.88
7½% Banque Ext. Algerie 77/83	89.00	8.43	11.41	3.54	15.10.81—830
7¼% Banque Ext. Algerie 78/85	85.00	8.53	11.66	4.55	1.11.83—850
7¼% Banque Nat. Algerie 78/83	87.79	8 26	12.50	2 97	1. 3.83
6¾% Barclays Overs. Inv. 78/89	80.75	8 36	10 08	9 08	1 5.89
8% Barlow Rand Inv. 78/82 I PP	95.00	8.42	10.44	2.37	15. 8.82
8% Barlow Rand Inv. 78/82 II PP	95.00	8.42	10 36	2.46	15. 9.82
6% BASF 65/80	99.50	8.03	6.95	0 50	1.10.71—80D
7½% BEC Finance 76/83 PP	90.50	8.28	10 80	3.58	1.11.83
8% Beecham Fin. 76/83	93.25	8.58	10.31	3.58	1.11 83
8¾% Bergen 75/85	97.50	8.87	9.74	2.99	1. 5.81—850
7¼% Bergen 77/89	88.75	8.17	10 50	4 50	1. 2.81—89D
8¼% BFCE 75/83 (G)	97.90	8.43	9.00	3.25	7.81—83S
8½% BFCE 76/84 (G)	95.50	8.64	9.57	4 25	1 7.82—84S
7% BFCE 77/87 (G)	86.00	8 14	9.91	6.83	1. 2.83—87S
5¾% BFCE 78/88 (G)	78.50	7.52	10.27	7.79	15. 1.86—88S
7¾% BFCE 80/87 (G)	91.25	8.49	9.55	5.79	15. 1.87
8½% BFCE 80/95 (G)	88.25	8.21	9 64	14.79	15. 1.88—95S
8¾% BNOE 77/87	89.50	9.50	11.72	4.34	1. 4.83(82-87)
6¾% BNOE 78/86	77.00	8.77	12.47	6.92	1 3.86
9% Borregaard 75/81 PP	98.00	9 18	11 02	1.08	1. 6.81
6½% Borregaard 77/84 PP	85.75	7.58	10.62	4.50	1.10.84
8½% Brascan Int'l. 73/88	96.15	8 64	9 16	8.50	1.10.79—88S
6¾% Brazil 72/87	88.50	7.63	8.90	7.50	1.10.78—87S
8¾% Brazil 76/86	97.50	8.97	9.26	8.50	10.80(80-86)
7¾% Brazil 77/84	88.00	8.81	11.59	4.08	1. 5.84
6¾% Brazil 78/85	91.50	8.79	12.00	4.83	1. 2.85
7¼% Brazil 79/87	82.60	8.79	11.02	6.75	1. 1.87
8% Brazil 78/87	88 25	8 07	10.35	7.33	1. 8.87
6¾% Brenner 68/83 (G)	96.75	6.98	8.03	3.33	1. 8.74—83S
5½% British Petrol 65/80	99.25	5 54	10.03	0.17	due 1. 6.80
5¾% Bruxelles-Lambert 77/84 PP	87.00	7.01	10 81	4 71	15.12.84
8½% Burmah Oil 70/85	95 10	9 94	10 75	2.92	1.11.76—850
4¾% Canada 78/83	87 50	5.43	9.54	3.14	20. 5.83
5% Canada 78/84	84.50	5.92	9.75	4,11	10. 5.84
6% Carlsberg-Tuborg 77/87 PP	78 00	7.69	10.27	7.67	1.12.85—87D
8½% C.C.C.E. 75/85 (G)	96.00	8.85	10.15	2 90	1. 4 81—850
8½% C.C.C.E. 76/86 (G)	95.00	8.95	9.86	4.89	1. 7.83—86D
7% C.C.C.E. 77/89 (G)	86.50	8.09	9.78	9.00	1. 4.81—890
5½% C E C A 66/83	94.00	5.85	8.85	1,97	1. 4.71—83D
7½% C E C A 71/86	92.75	8.09	10.09	3.44	1. 5.77—86D
6½% C E C A 72/87	89 50	7.26	9.73	4.06	1. 7.78—870
7% C E C A 72/88	88.50	7.91	10.66	3.99	2. 1.79—88D
6½% C E C A 73/88	86.50	7.51	10.67	4.24	1. 4.79—880
7¾% C E C A 73/88	95.00	8.15	9.19	4 29	1.11.79—880
10% C E C A 74/81 PP	100 50	9.95	9.52	1.42	1. 9.81
9¾% C E C A 74/81	100 50	9.70	9.35	1,67	1.12.81
8% C E C A 75/80 PP	97.50	8.21	11 96	0 67	1.12.80
8½% C E C A 75/82 PP	96.00	9.85	10 90	1 92	1. 3.82
8% C E C A 75/82	97.25	8.23	9 19	2.71	15.12.82
6½% C E C A 75/85	99 00	8.59	9 90	2.91	1. 4.78—85D
8% C E C A 76/81 PP	95 50	9 28	10 98	1 71	15.12.81
7¾% C E C A 76/83	93.10	8.32	10.18	3.50	1.10.83
7¾% C E C A 76/86	89 50	8.66	10.85	0 40	1.10.82—860
6% C E C A 78/88	77.00	7 79	10.12	8 58	1.11.88
5¾% C E C A 78/90	73.45	7.15	10.39	7.78	1. 4.85—90D
6% C E C A 78/90 PP	78.00	7.69	10.84	9 56	1. 8 83—90D
7% C E C A 79/91	83.50	8.38	10.01	8.35	15. 4.84—910
7¾% C E C A 80/90	87.75	8.97	9 88	9.75	2. 1.90
7¾% C.E.O. South Africa 78/82 PP (G)	93 50	8.29	11 06	2.30	20. 7.82
9¾% CERGA 73/81 PP	95 75	9 79	11.73	1.00	1. 4.81
7% CESP 77/87 (G)	87.25	8.02	9.41	7.58	1.11.83(82-87)
6% Chase Manhattan Ov. 78/93	73.00	8.22	9.67	13.42	1. 8.84—93S
7% Chrysler 69/84	87.50	8.00	11 02	4.25	1. 7.75—84S
6¾% CIBA-GEIGY ex. w. 75/85 PP	86.00	7.89	10.18	5.50	1.10.85
6½% C.N. Autoroutes 69/84 (G)	92.25	7.05	10.38	2.36	1. 3.75—84D
6½% C.N. Energie 69/84 PP (G)	93.00	8.99	10.08	2.27	1. 2.75—84D
6½% C.N. Telecom. 68/83 (G)	92.75	7.01	8.93	3.58	1.11.74—83S
8½% C.N. Telecom. 70/85 (G)	97.25	8.74	9.36	5.50	1.10.76—859
7¾% C.N. Telecom 76/83 (G)	83.50	7.75	8.82	3.04	16. 4.83
6¾% C.N. Telecom 79/87 (G)	81.50	7.87	10.08	8.92	1. 3.87
7¾% C.N. Telecom. 78/87 PP (G)	89.00	8.85	9.87	7.71	18.12.87
7¾% Comalco 71/86	94.50	8.20	9.12	6.17	1. 6.77—869
7% Com. Fed. Electr. 77/82 PP	91.50	7.65	11.16	2.42	1. 8.82
8% Com. Fed. Electr. 77/84	88.79	9.01	11.53	4.17	1. 8.84
7¼% Com. Fed. Electr. 77/85	87.00	8.33	11.44	4.02	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	80.00	8 44	11.63	5.89	1. 4.84—88D
5% Commerzbank Int'l. 78/84 PP	84.50	5.92	10.16	3.75	1. 1.84
4½% Comp. F. Deutsche Bk. 78/83 PP	86.50	5.12	10.07	3.08	1. 5.83
5% Comp. F. Deutsche Bk. 78/84 PP	89.00	5.88	8.97	3.75	1. 1.84
6¾% Comp. Franc. Petr. 75/85	87.50	8.72	9.13	5.08	1. 8.80—858
6½% Comp. Franc. Petr. 77/84	87.00	7.47	10.42	4.25	1. 7.84
8½% Consorzio 70/91 (D)	81.78	9.26	10.88	5.25	1. 1.77—910
5¾% Copenhagen 64/84	92.25	6.23	7.77	4.71	16.12.70—840
7% Copenhagen 68/83	96.25	7.35	8.98	3.08	2. 5.72—83S
6¾% Copenhagen 69/84	94.00	7.18	8.87	4.17	1. 8.75—84S
7¾% Copenhagen 71/86	96.25	8.14	8.98	6.00	1. 4.77—86S
7½% Copenhagen 76/86	85.60	8.78	10.80	6.67	1.12.81—869
6% Copenhagen 78/90	72.50	9.28	10.39	10.58	1.11.81—90S
8¼% Council of Europe 73/81 PP	84.00	8.91	12.74	1.08	1. 5.81
7% Council of Europe 73/88	88.00	7.95	10.91	3.91	1. 7.79—880
9¾% Council of Europe 75/82 PP	88.50	9.64	10.40	1.83	1. 2.82
8½% Council of Europe 76/83	99.75	9.52	8.63	1.81	1. 2.79—82D
7¾% Council of Europe 76/83	95.00	9.18	10.57	2.05	1. 5.80—830
7% Council of Europe 78/83	90.75	7.71	10.12	3,67	1.12.83
6¾% Council of Europe 77/87	83.00	7.53	10.46	5.48	1.11.83—87D
6½% Council of Europe 78/86 PP	80.00	7.91	10.80	8.25	1. 7.86
6½% Council of Europe 78/88	80.50	7,61	10.87	6.02	16. 5.84—88D
6¾% Council of Europe 78/88 II	81.25	7.69	9.53	8.56	1.11.84—88D
6¼% Council of Europe 78/88 III	82.00	7.62	10.19	8.49	1.11.84—880
7¾% Council of Europe 79/89	88.50	8.38	10.43	5.89	1 5.83—89D
7½% Council of Europe 78/89	85.00	8.82	10.50	7.40	1.10.85—890
7¾% Council of Europe 79/94	87.75	9.97	9.88	8.70	1.11 85—94D
6½% Courtaulds Int'l. 72/87	82,00	7.93	10.11	7.25	1. 7.80—87S
6% Credit National 77/87 (G)	80.25	7.48	8.83	7.60	1.10.83—87S
5¾% Credit National 78/83 PP (G)	86.50	8.65	10.84	3.42	1. 9.83
6½% Credit National 79/89 (G)	81.00	8.02	10.49	5.94	16. 4.85—89D
9% CVRD 76/84	98.25	9.16	9.55	3.83	1. 2.81 (82-84)
8½% CVRD 76/86	83.10	9.13	9.95	9.67	1.12.82(83-86)
9% Daimler-Benz 70/85	96.00	9.33	9.81	2.95	1.11.76—850
8½% Daishowa Paper 76/83 PP	85.00	9.47	11.10	3.33	1. 8.83
8% Danish Export 77/82 PP	93.50	9.42	10.72	1.56	1.11.78—82D
5¾% Danish Export 78/83 PP	90.50	6.35	10.86	2.13	1. 6.79—830
8¾% Den Danske Bk. 76/86	89.50	9.22	10.52	6.58	1.11.82—86S
6½% Denmark 68/80 PP	97,50	8.67	12.14	0.50	1.10.72—80D
7% Denmark 69/84	98.25	7.12	7.62	4.33	1. 8.75—84S
8¾% Denmark 72/87	93.25	7.34	7.95	7.67	1.12.78—87S
9¾% Denmark 74/89	99.50	9.30	9.33	8.92	1. 3.80—89S
8¾% Denmark 76/82	98.10	8.58	10.57	1.83	1. 2.82
8% Denmark 76/82	93.65	8.54	11.09	2.42	1. 8.82
6¾% Denmark 77/83	89.75	7.61	11.20	3.12	18. 5.83
7¾% Denmark 77/87	83.15	9.72	10.75	7.12	18. 5.87

WestLB QUOTATIONS AND YIELDS

* "Life" and "Maturity" appear in years and decimals of years and are—in this context—calculated as follows:
—to final maturity in case of a lump-sum repayment
—to final maturity in case of a sinking fund issue, whenever the quoted price is below 100
—to average life in case of a sinking fund issue, whenever the quoted price is above 100
—to average life in case the bond issue provides for mandatory drawings by lot at par only.
PP—Private Placement (the smallest denomination may be larger than the usual [illegible] public issue)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
5¾% Denmark 78/84	84.00	6.25	10.52	3.83	1. 2.84
6% Denmark 78/88	75.85	7.91	10.70	7.83	1. 2.88
5¾% Denmark 79/85	82.79	8.95	10.47	4.83	1. 2.85
6½% Denmark 79/89	76.25	8.52	10.80	8.83	1. 2.89
7¾% Denmark 80/88	90 75	8.68	10.03	8.83	1. 2.86
8¼% Denmark 80/92	88.00	6.38	10.02	11.83	1. 2.92P
8¾% Den Norske Ind. 77/89 (G)	84.50	7.99	11.06	4.81	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	79.00	7.59	10.74	6.32	1. 5.83—90D
6½% District Paris 69/84 (G)	91.25	7.12	9.21	4.00	1. 4.75—84D
7¾% E E C 76/83	95.75	7.57	8 93	3 00	1. 4.83
7% Eletrobras 77/87 (G)	87.50	8.00	9 40	7.42	1. 9.83(83-87)
6¾% Eletrobras 78/86 (G)	76.50	8 82	12.56	6.00	1. 4.88
7% Eletrobras 79/87 (G)	78 25	8.95	11.83	6 83	1. 2.87
5¾% Elf Aquitaine 78/88	74.75	7.02	10.48	7.09	15. 5.86—88D
5¾% Elf Norge 77/80 PP	99.25	5.79	25.31	0.04	due 16. 4.80
5¾% Elkem 78/88 PP	78.00	7.37	10 89	5 06	1. 6.84—88D
8% ENEL 65/80 (G)	99.00	8.06	10.33	0.25	due 1. 7.80
6¾% Ericsson 72/87	89.50	7.54	8.84	6.92	1. 3.78—87S
8¾% ESAB 78/81 PP	99.50	8.76	9.33	0.83	1. 2.81
6½% ESCOM 65/80 (G)	99.25	6.55	7.96	0.50	1.10.71—80D
6½% ESCOM 68/83 (G)	91 80	7.10	11.54	1.93	1.10.74—83D
8½% ESCOM 70/85 (G)	93 00	9 14	11.48	2.89	1. 4.76—85D
8% ESCOM 71/86 (G)	90.25	8.99	12.03	3.25	1. 3.77—860
6¾% ESCOM 72/87 (G)	83.50	7.49	12.12	3.62	1. 9.78—870
7% ESCOM 73/86 (G)	83.50	8.38	12.16	4 28	1. 5.79—880
9¼% ESCOM 75/80 (G)	96.70	9.28	9.90	0.33	due 1. 8.80
8% ESCOM 78/81 I PP (G)	96.50	8.29	12.83	0.79	15. 1.80—81D
8% ESCOM 78/81 II PP (G)	97 00	8.25	11.91	0 83	1. 2.80—810
8¼% ESCOM 78/81 PP (G)	97.25	8.48	11.82	0 83	1. 2.81
8% ESCOM 78/84 PP (G)	86.00	9.30	12 13	4.58	1.11 84
8¾% ESCOM 79/84 I PP (G)	88.75	9 86	12.21	4.33	1. 8 84
8¾% ESCOM 79/84 II PP (G)	88.00	9 83	12.13	4.33	1. 8.84
7¼% ESTEL 73/88	89.50	8.66	9.62	8.33	1. 8.79—88S
8½% Estel 75/85	97.75	8.70	9.05	5.17	1. 6.81—85S
8½% ESTEL 76/83 PP	95.00	8.95	10.57	2.92	1. 3.83
6½% ESTEL 77/84 PP	85.00	7.65	10.80	4.58	1.11.84
6¼% ESTEL 77/84 BP	84.00	7 44	11.91	3.63	1.12.82—840
6¼% ESTEL 79/85 PP	81 00	7.72	11 02	5 50	1 10.85
7¾% ESTEL 79/86 PP	87.00	8.91	10.66	9.33	1. 8.86
8¼% ESTEL 79/86 PP	87.50	9.29	10 82	6.71	15 2.98
5¾% Euratom 77/87	77 25	7.44	10.19	7 58	1.11.87
6¼% Euratom 78/91 PP	80.50	7.78	10.24	7.10	8. 2.84—910
6% Eurofima 65/80	99 00	8 06	7.52	0 67	1.12 68—800
6½% Eurofima 67/83	55.00	6.84	9.51	1.86	1. 9.71—83D
8¾% Eurofima 72/87	91 00	6 87	9.22	3.89	1. 9.76—87D
6½% Eurofima 73/89	88.50	7.34	10.00	4.17	1 3.77—880
8% Eurofima 72/86	94.50	8.47	9.63	4 20	1.10.77—880
8% Eurofima 76/83	98.75	8.10	8.50	2 63	1. 2.83
6¾% Eurofima 77/87 PP	87 00	7.76	10.35	4.74	1. 2.83—870
5¾% Eurofima 78/88	79 25	6.94	10.91	5 72	15. 2.84—880
5¾% Eurofima 78/88 PP	77.00	7.14	10 24	7.02	1.11.85—880
6½% Eurofima 79/89	82.00	7.93	10.33	8.74	1. 2.85—890
7% Eurofima 79/84 PP	88.00	7.95	10.45	4.50	1.10.84
7¼% Eurofima 79/87 PP	84.00	8.78	10.55	7.50	1.10.87
7¾% Eurofima 80/88 PP	99 25	7.93	8.00	7.79	15. 1.89
6% Europ. Inv. Bank 69/84	93.50	8 42	9 33	2.36	1. 3.75—840
7% Europ. Inv. Bank 69/84	93.00	7.53	10.52	2.48	1.11.75—840
8% Europ. Inv. Bank 70/80	99.80	8 02	10.49	0 09	due 2. 5.80
7½% Europ. Inv. Bank 71/86	81.00	8.24	11.14	3.26	1. 3.77—86D
7¾% Europ. Inv. Bank 71/88	92 00	8.42	10.72	3.30	1.10.77—86D
6½% Europ. Inv. Bank 72/87	89.25	7 28	10.10	9.73	1. 3.78—870
8% Europ. Inv. Bank 72/87	86 50	8.94	10.62	3.65	1. 9.80—87D
6¾% Europ. Inv. Bank 73/8	85.75	7 87	9 39	7 97	1. 2.79—88S
7% Europ. Inv. Bank 73/88	89.50	7.91	9.03	8 25	1. 7.79—88S
10% Europ. Inv. Bank 74/81 PP	98.75	10.13	10.90	1.42	1. 9.81
8% Europ. Inv. Bank 75/80	99.50	8.04	8.69	0.67	1.12.80
9½% Europ. Inv. Bank 75/83	99.00	9.80	10.11	1.72	1. 1.81—830
8% Europ. Inv. Bank 76/83	95.50	8.29	10.31	1.69	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83 PP	92.50	8.38	10.38	3.50	1.10.83
6¾% Europ. Inv. Bank 76/84	94.00	7.18	9.02	3 11	1.12.81—840
6% Europ. Inv. Bank 77/89	79.90	7 51	11.00	5 56	1. 8.82—890
6% Europ. Inv. Bank 78/88 I PP	78.00	7.89	10.44	8.33	1. 8.88
6% Europ. Inv. Bank 78/88 II PP	75.50	7.95	10.43	8.62	15.11.69
5¾% Europ. Inv. Bank 78/90	77.00	6.82	9.61	7 70	1. 3.85—900
8% Europ. Inv. Bank 78/90	74.90	8.06	10.03	10.50	1.10.90P
7½% Europ. Inv. Bank 79/89	85.25	8.80	10.02	9.17	1. 6.89
7¾% Europ. Inv. Bank 79/89 PP	84.00	9.08	10.37	9.33	1. 8.89
6½% Europ. Inv. Bank 79/91	78.50	6.50	10 19	10.75	1. 1.91P
8¼% Europistas 71/86 (G)	90.50	9.12	12.29	3 17	1. 2.77—860
8% Europistas 72/87 (G)	89.25	8.96	12.16	3 52	1. 1.78—870
7½% Fin. Inst. 1. Oon. Ind. 76/81 PP	97.50	7.69	9.14	1.67	1.12.78—81S
7% Finland 68/83	92.50	7.57	11 34	2,13	1. 8.72—830
6¾% Finland 66/83	91.25	7,40	11.89	2.10	1.12.72—830
7% Finland 69/84	94 75	7.39	9.60	2.53	2. 5.73—84D
7½% Finland 69/84	92.79	8.09	11.33	2.39	1.10.73—840
7% Finland 72/87	92.25	7.59	8.87	7.00	1. 4.78—87S
8% Finland 78/84	95.00	8.42	9.49	4.17	1. 6.81—84S
5½% Finland 78/83 PP	86.50	6.36	11.31	2.83	1. 2.83
8% Finland 78/83	66 00	7.06	11.18	3.87	1.12.89
5¾% Finland 78/86	80.00	7.19	10.50	5.83	1. 2.86
8% Finland 79/86	91.75	8.72	9.71	8.71	18.12.86
7½% Finn. Kemmunal 69/81 (G)	96.25	7 79	11.33	1.15	1.12.72—810
8% Finn. Kemmunal 71/83 (G)	95.50	8.38	10.75	2.05	2. 5.78—830
6¾% Forsmarks 75/83 (G)	95 50	8 64	11.28	1.68	1. 7.80—830
5¾% Forsmarks 78/80 (G)	78.00	7.37	10.91	8.07	16. 1.83—90D
7½% Francetel 78/83 (G)	92.25	8 13	10 18	3.54	18.10.83
6¾% Francetel 77/84 PP (G)	87.50	7 71	10.78	4.00	1. 4.84
7% Fuji Heavy 76/81 PP	93 00	7 53	11 81	1 67	1.12.81
9¼% Gen. Zbk. Vienna 75/82 PP	98 00	9 44	10.43	1.97	1. 3.82
8½% Gen. Zbk. Vienna 76/83 PP	96.00	8.85	10 50	2.32	1. 2.83—830
6% Gen. Zbk. Vienna 77/87	79.60	7.55	11.12	5.56	1.12.83—870

WestLB

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Leading Marketmakers in Eurobonds

9¾% Giroz. Vienna 74/80 PP	99.75	9.77	8.89	0 67	1.12.80
7% Giroz. Vienna 78/81	95.75	7.31	8.88	1.58	1.11.81
7¼% Giroz. Vienna 76/83	91 75	7.90	10 08	3.58	1.11.83
5½% Giroz. Vienna 77/82	90.75	8.06	9.82	2.50	1.10.82
5¾% Giroz. Vienna 78/86 PP	77.75	7.40	10.65	6.50	1.10.86
6¾% Giroz. Vienna 79/84 PP	87.50	7.86	10.56	4.37	18. 8.84
8% G.I.S. 78/83 PP	90.50	6.63	9.50	2.92	1. 3.82—830
7% Grand Metrop. Fin. 77/84	87.50	8.00	10.73	4.33	1. 8.81—84S
8% Guest-Keen-Nettl. 78/89	91.79	8.72	11.30	3 09	2. 5.89
6¾% Hamersley Iron 72/87	88.00	7.87	8.07	7.25	1. 7.78—87S
8% Hazama-Gumi 76/81 PP	95.50	8.38	12.31	1,17	1. 8.81
7% Helsinki 68/83	98.75	7.24	8 32	3 25	1. 7.72—83S
7% Hitachi Cable 77/82 PP	93.00	7.53	11.60	1.75	1. 1.82
5¾% Hitachi Shipbuldg. 78/83	85.250	8.74	10.76	3.71	16.12.83
8¾% IAKW. Vienna 75/85 (G)	96.00	8.11	10.36	2.98	1. 5.80—850
7¼% Iceland 69/84	96.00	7.55	8 60	4.08	1. 5.73—84S
7¾% Iceland 77/87	94.50	8 20	8.84	6.99	1. 4.80—87S
6½% I C I Int'l. 72/92	78.50	8.28	9.60	11 92	1. 3.78—929
7½% I C I Int'l. 76/88	87.25	8.60	10.80	5.63	1.12.84—86D
6¾% I C I Int'l. 77/87	89 05	8 13	11.00	5.52	1. 5.84—870
8% ICIPU 71/81 (G)	89.00	8 99	11.09	5 23	1. 1.77—910
8% Imetran Velme 72/87 (G)	92.50	8.65	9.75	6.75	1. 1.78—87S
7% Indonesia 78/84	89.00	7.87	10.14	4.50	1.10.84
7¾% Ind. Dev. C. South-Afr. 78/82 PP (G)	93 75	8.27	11.26	2.08	1. 5.82
8% Ind. Dev. C. South-Afr. 78/83 PP (G)	90 00	8.89	11.85	3.25	1. 7.83
6½% Industr. Bk. Japan 73/80 PP	88.750	6.98	14.22	0.17	due 1. 8.80
6½% Industr. Bk. Japan 79/81 PP	95.00	8.84	11.65	1.08	1. 5.81
6% Industr. Bk. Japan 78/84	83.15	6.01	10.67	9.75	1. 1.84
7¾% Ind. Fund of Finland 79/87 PP	85.25	8.85	10.86	5 89	16. 9.84—87D
7½% Ind. Min. Dev. Iran 73/85	77.25	9.71	14.05	5.08	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	70.00	11.07	14.73	7.25	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	88.00	10.66	18.30	4.48	18. 9.84
6¾% Ind. Mtgebk. Finl. 68/80 (G)	98.75	6.84	9.18	0.58	1.11.73—800
8% Ind. Mtgebk. Finl. 71/86 (G)	94.00	6.51	10.34	3.47	1.12.77—860
7% Ind. Mtgebk. Finl. 72/87 (G)	50.50	7.73	10.57	3.49	1. 7.78—870
6¾% Int. Am. Dev. Bank 69/83	99.50	8.78	7.04	3.25	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	97.66	7.17	7 79	4.33	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	94.25	9.02	10.14	5.42	1. 8.76—859
6¾% Int. Am. Dev. Bank 72/87 I	89.25	7.58	8.83	7.17	1. 6.78—87S
8¾% Int. Am. Dev. Bank 72/87 II	89.50	7.54	8.69	7 58	1.11.78—879
8% Int. Am. Dev. Bank 76/83 PP	93.60	8.56	10.73	2.87	18. 2.83
8¼% Int. Am. Dev. Bank 78/83 PP	84.50	8.73	10.30	3.25	1. 7.83
7% Int. Am. Dev. Bank 77/87	64.50	8.28	10.28	6.75	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/86	78.75	7.94	10 36	7.79	1. 1.88
7¼% Int. Am. Dev. Bank 79/86	88.25	8.88	10.14	6.25	1. 7.86
8% Int. Am. Dev. Bank 76/89 PP	87.25	9.17	10.17	8.29	15. 7.89
8% Int. Am. Dev. Bank 60/88	66.79	8.91	9.93	7.83	1. 2.88
6¾% Int'l. Com'l. Bank 73/83	91.75	7.36	11.29	2.13	1. 6.79—830
8¼% Ireland 76/81	98.00	8.42	11.06	0.75	1. 1.81
7½% Ireland 79/87 PP	84.50	8.89	10 79	7.08	1. 5.87
8½% Ireland 80/88	89.75	9.05	10.08	7.75	1. 1.88
7% ISCOR 71/86 (G)	89.50	8.66	10.33	6.17	1. 6.77—86D
7% ISCOR 72/87 (G)	86.75	8.07	11.74	3.78	1. 4.78—87D
7% ISCOR 73/88 (G)	84.25	8.31	12.06	4.12	1. 3.79—880
8½% ISCOR 73/88 (G)	50.50	9.39	11.42	4.23	1.11.79—880
8¼% ISCOR 77/80 I PP (G)	98.00	8.42	12.72	0.45	16. 8.79—80D
8¼% ISCOR 77/80 II PP (G)	98.00	8.42	11.20	0.71	18.12.79—800
7¾% ISCOR 78/82 PP (G)	89.00	8.33	13.25	1 48	1. 4.81—82D
8¼% ISCOR 79/84 PP (G)	89.00	9 27	11.46	4.54	18.10.84
7% Japan 68/83	98.25	7.05	7 42	2.92	1. 3.72—83S
7¾% Japan Dev. Bank 79/83 (G)	92.50	7.84	10.28	3.00	1. 4.83
8% Johannesburg 71/86 (G)	87.25	9 17	13.12	3 17	1. 9.77—86D
6¾% Johannesburg 72/87 (G)	81 20	7.70	13,10	3.60	1. 9.78—87D
7¾% Johannesburg 78/82 PP (G)	91 00	8 52	12 94	2 08	30. 4.82
7¼% Jydsk Telefon 69/84	95.50	7.59	8.66	4.46	15. 9.75—84S
6¾% Jydsk Telefon 72/87	87.50	7 71	9.27	6 92	1. 3.78—87D
7¼% Jydsk Telefon 73/88	88.50	8.19	9.38	7.83	1. 2.79—88D
9% Jydsk Telefon 75/82 PP	97.00	9.28	10.52	2.25	1. 7.82
8½% Jydsk Telefon 80/90	94.00	9.04	9.48	9.83	1. 2.90
6¾% Kansai Electric 69/84	81.75	7.36	9.53	3.92	1. 3.75—84S
7¾% Kansai Electric 71/86	93.75	8.27	9.13	6.08	1. 5.77—86S
6¾% KELAG 73/88	89.00	7.67	8.89	8.08	1. 5.79—88S
6¾% KHD Finance 72/87	90.00	7.50	8 69	7.09	2. 5.78—87S
7¾% Kjobenhavns H. Bank 76/83 PP	87.00	8.48	11.92	3.67	1.12.83
7½% Kjobenhavns Tel. 72/87	90.00	8.33	9.77	6.75	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	83.00	8.43	10.52	7.08	1. 6.78—87S
6½% Kjobenhavns Tel. 73/88	83 75	7.79	8.49	8.00	1. 4.79—88S
5% KLM Royal Dutch Airl. 78/85 PP	84.00	5.95	11.66	2.97	1. 5.79—850
7% Kobe 68/83 (G)	66.00	7.14	7 87	3.17	1. 8.72—83S
6¾% Kobe 69/84 (G)	84.75	7.12	8.46	4.08	1. 5.73—84S
7¾% Kobe 71/86 (G)	95.00	8.16	8.87	5.83	1. 2.77—86S
6¾% Kobe 72/87 (G)	88.50	7.63	9.01	7.08	1. 5.78—875
8¼% Kobe 75/80 PP (G)	99.75	8.27	9.50	0.17	due 1. 6.80
7½% Kobe 76/83 (G)	93.00	8.08	10.18	3.17	1. 6.89
6½% Kobe 77/87 (G)	81.25	8.00	10.32	7.17	1. 8.87
5¾% Kobe 78/86 (G)	80.50	7.14	10,10	8.25	1. 7.86
7¾% Kobe 79/89 (G)	83.25	8.96	9.81	8.50	1.10.98
7¾% Kommunl. Inst. 79/83	92.00	8.42	12.81	1.96	1. 4.81—83D
8% Kommunl. Inst. 78/84	92,25	8.87	10.19	4.54	15.10.77—84D
7¾% Korea Dev. Bank 77/84 (G)	84.80	8.57	11.69	4.67	1.12.84
5¾% Kubota Int'l. 77/82 PP	50.00	5.83	10.66	2.15	1.12.81—82D
5¾% Kvaerner Ind. 78/88 PP	79.00	7.37	11.09	5.81	1. 5.84—88D
9½% Light-Servicos 77/82 (G)	94 25	9.02	12.01	1.87	1. 3.82
6¾% Light-Servicos 78/86 (G)	79.50	8.82	12.48	6.08	1. 6.88
9¾% Light-Servicos 80/90 (G)	80.00	9.88	11 31	7 68	15 1.86—900

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8¾% Lonza Int'l. 75/80 PP	99.25	8.31	14.34	0.12	due 16. 5.80
6½% Lufthansa Int'l. 78/86 PP	81.00	8.02	11.04	5.92	1. 3.86
7% Malaysia 72/84	81.25	7.67	11.03	2.60	1. 6.75—84D
6¾% Malaysia 77/86	84.00	7.74	10.50	5.42	1. 8.85
8¾% Malmoe 75/84	99.50	9.30	9.48	2.28	1. 2.81—84D
8¼% Malmoe 76/83	98.25	8.57	10.53	1.88	1. 3.80—830
6½% Manitoba 77/84	87.00	7.47	10 42	4.25	1. 7.84
6¾% Manit. Hydro El. 72/87	85.00	7.94	8 75	7.17	1. 5.78—87S
6¾% Megal Fin. Comp. 78/90	73.00	8.56	10.86	8.75	2. 1.85—90S
7% Megal Fin. Comp. 78/89	80.50	8.70	10.45	9 00	1. 4.87—89P
7% M E P C 73/88	85.25	8.21	11.53	4.30	1. 5.79—88D
7% Mexico 69/84	101.00	6.93	6.60	2.21	2. 1.73—84S
7¾% Mexico 73/88	82.50	8.79	10.67	7.75	1. 1.79—88S
9% Mexico 75/82	97.50	9.23	10.25	2.25	1. 7.82
9% Mexico 76/83	93.00	8.80	10.70	3.17	1. 8.83
7¾% Mexico 7/84	87.50	8.66	11.69	4.17	1. 6.84
8% Mexico 78/85	81.00	7.41	11.18	5.00	1. 4.85
6½% Mitsubishi Chemical 78/84	88.75	7.32	9.98	4.09	30. 4.84
5¾% Mitsubishi Petro 78/89	85.50	6.73	11.05	3.42	1. 9.83
7¾% Mitsui Toatsu 76/81 PP	96.00	8.07	10.79	1.46	15. 8.81
9% MOOD 75/83	99.25	8.35	11.03	2 13	1. 6.80—83D
7% Montreal 68/89	87.00	8.05	11.15	4.07	1. 4.70—89D
6% Montreal 72/92	80.35	7.47	10.78	5.71	1. 8.73—92D
6¾% Montreal 73/93	85.00	7.94	8.70	13.17	1. 8.74—93S
8½% Montreal 76/88	94.00	8.04	8.81	6.25	1. 7.77—88S
7% Montreal 77/87	85.00	8.24	9.98	7.29	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	95.00	7.85	8.90	4.58	1.11.75—84S
7% Mortg. Denmark 73/88 (G)	85.00	8.24	9.71	8.25	1. 7.79—88S
6¾% Mortg. Bk. Finl. 69/84 (G)	83.50	7.22	8.60	4.00	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	93.00	9.41	11.14	3.67	1.12.83
7% Nafi. Mexico 77/82 PP (G)	91.00	7.69	11.42	2.42	1. 9.82
8¾% Nafi. Mexico 77/84 (G)	94.25	9.28	10.51	3.92	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	92.00	8.51	11.38	3.92	1. 3.84
8¾% Nat. Bk. Hungary 75/81	96.75	8.53	11.10	1.25	1. 7.81
6½% Nat. Bk. Hungary 77/85	81.50	7.98	11.10	5.58	1.11.85
7% Nat. Nederl. Fin. Maat. 79/88 PP	84.25	8.31	10.44	8.50	1.10.86
8% Nat'l. Westm. Bk. 73/88	96.25	8.31	8.83	8 50	1.10.79—88S
8% Nederl. Gasunie 79/86	84.00	8.51	9.23	6.66	1.12.83—86
8½% Nederl. Gasunie 80/87	97.25	8.74	9.05	8.92	1. 3.84—87S
6¾% New Brunswick 72/87	86.00	7.85	9 40	7.58	1.11.78—87S
7¾% Newfoundland 69/84	97.70	7.42	8.04	4.33	1. 8.75—84S
8% Newfoundland 71/86	95.25	8.40	9.00	6.33	1. 8.77—86S
6¾% Newfoundland 72/87	86.50	7.80	8.30	7.53	1.11.78—876
6½% Newfoundland 73/88	85.25	7.82	9.18	8.00	1. 4.81—88S
6¾% New Zealand 69/84	94.00	7.18	9.98	2 27	1. 2.75—840
7½% New Zealand 71/86	91.50	8.20	10.78	3.43	1. 5.77—86D
7% New Zealand 72/87	87.00	8.05	11.58	3 62	1. 2.78—87D
8¼% New Zealand 75/80 PP	100.00	8.25	8.00	0 25	1. 7.80
7½% New Zealand 78/83	95 00	7.89	9.53	2.92	1. 3.83
7¾% New Zealand 76/86	91.00	8.52	10.33	4 49	1.11.82—860
6¾% New Zealand 77/84	90.50	6.91	9.13	4.08	1. 5.84
5¾% New Zealand 78/88	79.90	6.60	10.00	5.92	1. 3.96
8% New Zealand 79/86 PP	81.50	7.36	10.37	5.83	1. 2.88
6¾% New Zealand 79/87	81.00	7.72	10.28	6.75	1. 1.87
7¼% New Zealand 79/87	86.00	8.28	9.85	7.48	15. 9.87
8¼% New Zealand 79/84 PP	93 50	8.82	10.04	4.67	1.12.84
6¾% Nippon Housing Loan 79/84 PP	87.00	7.76	10.81	4.12	18. 5.84
6½% Nippon Kokan 79/84	85.60	7.59	11.18	4.00	1. 4.84
5¾% Nippon Steel 78/85	80.75	7.12	10.58	5.42	1. 8.85
6¾% Nippon T + T 75/82 (G)	98.00	8.93	9.93	1.92	1. 3.82
8¾% Nippon T + T 76/82 (G)	98.25	8.57	10.24	2.17	1. 6.82
7¾% Nippon T + T 76/83 (G)	92.80	8.37	10 34	9.50	1.10.83
5½% Nippon T + T 79/87 (G)	77.90	7.06	10.13	6.33	1. 2.87
5¾% Norcem 78/85	80.25	7.17	11.18	4.82	1. 3.85
7½% Norcem 79/86 PP	84.00	8.93	11.09	6.42	1. 9.86
5% Norddt. LB Int'l. 78/84 PP	84.25	5.83	10.15	3.83	1. 2.84
6¾% Nordic Inv. Bank 79/86	82.50	7.58	10.44	5.75	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	89.50	8.54	8.80	5.50	1.10.76—859
8% Norges Komm. Bank 75/80 (G)	99.60	8.03	10.19	0.17	due 1. 6.80
8% Norges Komm. Bank 75/80 PP (G)	99.75	8.02	8.79	0.25	due 1. 7.80
7% Norges Komm. Bank 76/81 (G)	87.00	7.22	10.03	1.08	1. 5.81
7% Norges Komm. Bank 77/89 (G)	84.25	8.31	9.70	9.00	1. 4.80—89S
8% Norges Komm. Bank 77/89 I (G)	80.00	7.50	9.23	9.54	16.10.80—899
8% Norges Komm. Bank 77/89 II (G)	80.50	7.45	9.11	9.67	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	77.25	7.77	9.55	10.33	1. 8.81—906
6¾% Norges Komm. Bank 78/89 (G)	80.50	7.76	8.64	8.79	1. 1.84—89S
7¾% Norges Komm. Bank 79/89 PP (G)	84.25	8.75	10.03	9.37	16. 8.84—89S
7¾% Norges Komm. Bank 79/91 (G)	87.50	8.88	9.61	11.25	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	89.50	9.22	9.60	14.71	16.12.85—94S
8½% Norpipe 76/84	97.15	8.75	9.40	3.89	1. 2.80—849
8% Norpipe 76/88	90.50	8.84	9.73	8.17	1. 8.83—88S
8% Norpipe 77/89	75.50	7.95	10.10	9.58	1.11.84—88S
7¼% Norsea Gas 76/88	82.00	8.84	10.50	8.67	1.12.83—88S
7% Norsea Gas 77/89	78.75	8.78	10.52	8.25	1. 7.84—89S
9% Norsk Hydro 79/87	89.75	9.02	9.07	3.74	1. 3.80—870
8% Norsk Hydro 76/88	89.00	8.89	10.07	8.00	1. 4.83—88S
6¾% Norsk Hydro 77/89	89.75	8.06	8.47	9.17	1. 6.82—89S
8¼% Norway 75/80	99.80	8.27	10.38	0.08	due 1. 5.80
8¼% Norway 79/80 PP	99.75	8.27	8.50	0.17	due 1. 6.80
7¾% Norway 75/80	99.35	7.80	8.66	0.87	1.12.80
7% Norway 76/81	97.00	7.22	10.03	1.08	1. 5.81

Nutshell Survey

Sellout mood prevailed pushing yields up by 1.08% from 9.36% to a record 10.44% stop possibly a good starting point for a fresh look at DM-Bond-Investments?

7½% Norway 76/81	97.85	7.66	8.35	1.26	1. 7.81
6½% Norway 77/82	94.50	8.86	10.04	1.75	1. 1.82
6¾% Norway 77/82	94.50	6.61	9.39	2.00	1. 4.82
5¾% Norway 77/82	92.15	6.24	9.84	2.33	1. 8.82
4¾% Norway 78/83	89.00	5.34	9.46	2.75	1. 1.83
4¾% Norway 78/83	86.50	5.08	8.78	3.00	1. 4.83
6¾% Norway 79/84	50.00	8.84	9.36	4.00	1. 4.84
7½% Norway 80/85	93.00	8.06	9.37	4.79	15. 1.85
7¼% Norw. Mortgage 77/87	87.25	8.31	10.65	5.02	16. 5.83—870
6% Norw. Mortgage 77/89	78.75	7.82	11.11	5.85	16.11.82—89D
7¾% Nova Scotia 71/86	93.00	8.33	10.45	3.47	1.12.77—860
7% Nova Scot. Power 72/87	89.00	7.87	9.04	7.67	1.12.78—87S
6¾% Occident. Int. Fin. 78/90	77.00	8.77	10.41	10.67	1.12.85—90S
6½% Occident. Overs. 68/83	92.25	7.05	9.35	3.50	1.10.72—83S
6¾% Oester. Bundes-Sch. 68/80 PP	99.50	6.78	8.97	0.17	due 1. 6.80
8% Oester. Donaukr. 69/84 (G)	92.00	6.52	10.27	2.27	1. 2.65—84D
6¾% Oester. Donaukr. 72/88 (G)	87.50	7.71	8.02	7.92	1. 3.79—88S
8¾% Oester. Donaukr. 79/85 (G)	96.00	9.11	10.45	2.82	1. 3.81—850
7% Oest. El. Wirtsch. 67/87 (G)	93.50	7.49	9.33	3.86	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	89.25	7.84	10.63	3.71	18.12.83
5½% Oest. Ind. Verwaltung 78/85 PP (G)	80.50	6.83	10.51	5.25	1. 7.95
6¾% Oest. Inv. Kredit. 79/84 PP	98.75	8.96	7.19	4.56	1.11.84
7% Oest. Kontrollbank 78/83 PP (G)	89.00	7.87	10.79	3.67	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	88.00	7.67	10.71	3.83	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	84.00	7.74	11.44	4.25	1. 7.84
8¾% Oest. Kontrollbank 77/84 PP (G)	84 00	7.44	11.07	4.33	1. 8.84
8% Oest. Kontrollbank 77/85 PP (G)	82.50	7.27	10.25	5.58	1.11.85
5¾% Oest. Kontrollbank 76/84 PP (G)	84.00	6.85	10.52	4.33	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	79.80	8.14	10.06	8.71	18.12.86
8% Oest. Kontrollbank 78/87 PP (G)	81.25	7.38	8.90	8.83	1. 2.87
7¾% Oest. Kontrollbank 78/86	82.50	8.94	10.34	9.50	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	93.50	8.56	9.78	4.67	1.12.84
7¾% Oest. Kontrollbank 79/88 PP (G)	89.50	8.80	10.09	6.71	18.12.88
8% Oest. Kontrollbank 80/87 (G)	93.25	8.56	9.37	6.83	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	98.75	8.86	9.07	4.96	15. 3.85
5½% Oest. Länderbank 77/82	80.50	6.08	9.69	2.67	1.12.82
6½% Ontario 69/84	94.25	6.90	8.57	2.28	1. 2.75—84D
8% Ontario 72/87	85.50	7.02	11.02	3.84	1. 8.80—87D
7½% Ontario Hydro 71/86	90.25	8.31	11.01	3.46	1.12.77—86D
6½% Ontario Hydro 72/87	66.25	7.64	10.95	3.96	1. 8.80—87D
6½% Ontario Hydro 73/88	85.25	7.62	11.13	4.14	1. 9.81—86D
7½% Oslo 69/84	94.00	7.98	10.56	2 48	1.11.75—84D
7½% Oslo 71/87	94.75	7.92	8.72	6.75	2. 1.78—87S
6¾% Oslo 73/90	89.35	7.91	8.99	10.25	1. 7.76—90S
9% Oslo 75/87	97.50	9.23	9.50	8.92	1. 9.78—876
8¾% Oslo 80/90	95.50	9.16	9.46	9.92	1. 3.83—90S
6¾% Papua 73/88	87.00	7.76	9.04	8.25	1. 7.79—889
6¾% Parker-Hannifin 77/87 PP	81.00	8.33	11.96	5.05	1. 6.83—87D
7½% Parker-Hannifin 76/87 PP	82 00	9.15	11.72	6.21	1. 7.85—87D
8¾% Pemex 76/83	94.50	9.26	10.60	3.87	1.12.83
7% Pemex 77/84	86.75	8.07	10.81	4.42	1. 8.84
7% Pemex 78/86	81.50	8.59	11.58	5.75	1. 1.86
7% Petrobras 77/84	83.75	8.36	11.89	4.50	1.10.84
7% Petrobras 78/88	79.50	8.81	11.71	6.39	1.10.84—88D
8% Petrobras 78/88	83.80	9.55	11.33	7.39	1.10.85—890
7¼% Philippine 77/84	84.00	8.63	11.95	4.58	1.11.84
6¾% Philippine 78/85	85.75	7.87	10.56	5.00	1. 4.85
6¾% Philips 75/81 PP	98.00	8.93	10 97	1.00	1. 4.81
8½% Philips 75/81 PP	87.50	8.72	11.20	1.04	15. 4.81
8¾% Philips 75/82	101.00	8.66	8.17	1.96	15 3.82
5¾% PK-Banken 78/88	78.00	7.37	10.95	5.98	1. 5.84—880
9¼% Platm. Malmoe 79/80 PP	100.00	9.25	8.87	0.08	due 1. 5.80
6½% Postipankki 79/85 PP	98.00	6.25	6.81	3.29	1. 2.82—850
7¼% Privatbk. Copenh. 77/83 PP	91.00	7.97	10.93	3.00	1. 4.83
6¾% Pyhrn Autobahn 77/89 (G)	79.50	7.86	10.63	8.77	1 9 84—89D
6½% Quebec 72/87	87.85	7.40	10.85	3.48	1 7.78—870
7½% Quebec 77/87	88.15	8.71	10.42	6.83	1 2.87
7¼% Quebec 77/87	83.50	8.68	10.85	7.17	1. 6.87
6% Quebec 78/50	75.65	7.93	10.95	7.43	1. 5.85—90D
6¾% Quebec Hydro El. 68/84	98.25	8.80	7.09	3.83	1. 2.75—84S
7¼% Quebec Hydro El. 69/84	93.79	7.72	10.62	2.32	1. 9.75—840

WestLB Euro-Deutschmarkbond Yield Index

March 31, 1980: 10.44% **(February 29, 1980: 9.36%)**

8% Quebec Hydro El. 71/86	93.25	8.58	10.80	3.21	1. 8.77—88D
6½% Quebec Hydro El. 72/87	86.00	7.56	11.24	3.79	1. 4.78—87D
6½% Quebec Hydro El. 73/88	84.50	7.69	11.40	4.14	1. 3.79—880
6½% Quebec Hydro El. 77/87	82.00	7.93	10.08	7.37	18. 8 87P
6¼% Quebec Hydro El. 77/87	80.75	7.74	8.94	7.67	1.12.87P
8½% Queensland Alu. 70/85	96.75	8.79	9.47	5.58	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	78.00	7.28	10.74	5.90	1. 4.84—880
7¼% Reed Paper 73/88	88.00	8.15	9.29	7.75	1. 1.79—88S
8½% Renfe 79/82 (G)	95.50	8.86	10.60	2.25	1. 7.82
8% Renfe 77/84 (G)	92.25	8.67	10.47	4.00	1. 4.84
7% Renfe 79/87 (G)	81.00	8.64	10.95	7.17	1. 8.87
5¾% Ricoh Comp. 78/83	83.25	6.31	11.56	3.33	1. 8.83
6¾% Roy Lease 78/84 PP	90.00	7.50	9.57	4.50	1.10.84
7¾% SAAB 71/86	93.75	8.27	9.30	6.17	1. 6.77—86S
7½% Saga Petrokjemi 77/87 PP	87.00	8.62	10.10	7.25	1. 7.83—87S
7½% Sandvik 72/87	88.00	8.52	11.74	3.61	1. 2.78—87D
9¼% Sandvik 75/83	98.75	9.37	9.75	2.83	1. 2.83
7% Sanko Steamship 77/84	88.00	7.95	10.99	3.83	1. 2.84
6½% Shell Int'l. 72/87	80.25	7.20	8.40	7.00	1. 4.78—879
6¾% Shell Int'l. 77/88	85.50	7.88	9.78	6.74	1. 2.85—89D
8¼% Ship. Co. New Zeal. 75/80 PP (G)	99.50	8.29	10.96	0.17	due 3. 6.80
7% Siemens Europe 66/81	99.25	7.05	7.48	1.58	1.11.70—818
7% Singapore 72/82	84.85	7.40	9.93	2.25	1. 7.78—823
6½% Singapore 77/83	81.00	7.14	10.03	3.08	1. 5.83
8½% Sira Kvina 70/85	94.25	9.02	11.49	2.51	1. 6.76—850
6½% S.N.C.F. 68/83 (G)	94.35	6.89	8.41	3.50	1.10.72—83S
7½% Soc. Dev. Reg. 78/86 (G)	91.50	8.20	10.39	3.69	1 4.80—86D
6¾% Soc. Dev. Reg. 77/92 PP (G)	77.00	8.12	10.74	7.79	18.12.83—92D
9% Soc. Mar. Fina 75/83 PP	96.50	9.33	10.98	2.05	1. 5.79—83D
6¾% Sorrento 76/84 PP	86.50	7.23	10.75	3.79	19. 1.84
6¾% South-Africa 69/84	89.75	7.52	10.18	4.00	1. 4.73—84S
8½% South-Africa 70/86	98.50	8.83	9.04	5.58	1.11.76—85S
7¾% South-Africa 71/86	91.25	8.49	8.80	8.58	1.11.77—86S
7% South-Africa 72/67	90.25	7.78	8.80	7.58	1.11.78—87S
8% South-Afr. Broadc. 78/81 PP (G)	95.00	8.42	14.14	0.92	1. 8.81
7¼% South-Afr. Oil Fund 78/81 I PP (G)	92.00	7.89	13.09	1.58	1.11.81
7¼% South-Afr. Oil Fund 78/81 II PP (G)	93.00	7.80	12.18	1.62	16.11.81
7¾% South-Afr. Oil Fund 78/82 I PP (G)	91.00	8.52	12.37	2.33	1. 9.82
7¾% South-Afr. Oil Fund 78/81 II PP (G)	92.00	8.42	11.62	2.46	16. 9.82

Continued on Page VI

CONVERTIBLES—U.S. (CONTINUED)

Issued / Est. O/S (Mn)	Year of Issue / Issue Price	Borrower / Coupon Maturity	Bond Price / Share Price	Cur. Bond Yld. / Cur. Share Yld.	Premium/Discount % / First S/F Date
30 / 10.0	1968 / 100.00	HONEYWELL O/S FIN 5.00 15/ 2/1985 S	81 1/8 / 72 7/8	6.25 / 3.57	15.12
25 / 25.0	1968 / 100.00	I.C.C. INT 5.50 1/ 6/1988 S	51	11.08	1979
50 / 50.0	1977 / 100.00	INA OVERSEAS FIN 8.00 1/ 8/1997	83 3/4 / 25 1/2	7.16 / 7.46	-8.22
20 / 20.0	1971 / 100.00	INTER-CONT HOTELS O/S 7.00 15/ 8/1986	70 5/4 / 4 1/8	9.89	135.49 DP1981
30 / 40.3	1968 / 100.00	INT STANDARD ELECTRIC 5.00 15/ 1/1988	79 1/8 / 24 1/8	6.32 / 9.95	77.34 DP1979
10 / 16.0	1968 / 100.00	INT STANDARD ELECTRIC 5.25 1/12/1988	69 1/4 / 84 1/8	7.58 / 9.95	80.36
25 / 16.0	1969 / 100.00	INT STANDARD ELECTRIC 6.25 1/11/1989	74 7/8 / 24 1/8	8.55 / 9.95	84.32 DP1979
12 / 2.2	1966 / 97.50	INT UTILITIES O/S 5.25 1/ 6/1986 S	80 1/2 / 11	6.61 / 3.64	-3.71 DP1977
15 / 15.0	1966 / 100.00	INT FINANCE HOLDINGS 4.50 1/ 3/1986 0	69 1/2 / 24 1/8	0.58 / 9.95	17.11 DP1977
50 / 50.0	1972 / 100.00	I.T.T. 4.75 1/10/1987	60 7/8 / 24 1/8	7.00 / 9.95	41.62
50 / 20.0	1969 / 100.00	I.T.T. SHERATON FIN 6.50 15/ 7/1989	66 3/8 / 24 1/8	10.10 / 9.95	45.35
25 / 24.0	1968 / 100.00	JONATHAN LOGAN O/S 4.75 1/ 6/1988 S	69 1/8 / 7 3/4	6.99 / 7.74	
30 / 28.5	1968 / 100.00	KAISER ALUM & CHEM FIN 5.00 1/ 2/1988 S	82 5/8 / 19	6.14 / 6.32	7.06 1978
40 / 15.3	1969 / 100.00	LEASCO INT 5.00 15/ 1/1989	96 3/4 / 01 3/4	5.17 / 3.24	-2.86 1980
15 / 13.2	1968 / 100.00	LEVIN-TOWNSEND INT FIN 5.00 1/ 0/1988 0	39	13.23	1979
30 / 30.0	1979* / 100.00	LPG INTERNATIONAL FIN 8.00 15/ 6/1989	80 3/4 / 17 1/8	9.92	10.01 DP1984
60 / 60.0	1968 / 100.00	LTV INTERNATIONAL 5.00 1/ 7/1988	57 1/4 / 10	3.73	46.22 1979
30 / 27.0	1900 / 100.00	MARINE MIDLAND O/S 5.00 15/ 5/1988	59 / 12 1/2	0.47 / 6.40	00.00 DP1970
15 / 9.0	1975 / 100.00	MARRIOTT 5.00 15/10/1988	64 1/2 / 19 5/0	7.75 / 1.03	-.43
30 / 30.0	1975 / 100.00	MASCO 6.50 31/ 7/1988	70 5/0 / 20 3/8	6.17 / 2.94	11.79
25 / 25.0	1972 / 100.00	MASSMUTUAL MTGE REALTY 4.75 15/ 7/1987	81 / 11 1/8	11.07 / 12.94	74.83
30 / 15.6	1972 / 100.00	J.RAY MCDERMOTT 4.75 15/10/1987	134 5/8 / 24 3/4	3.53 / 5.66	-8.89
25 / 25.0	1969 / 100.00	MGG CAP 5.50 1/ 5/1989 S	52 3/8 / 15 3/4	10.78	
15 / 12.3	1968 / 100.00	MILES INT 4.75 15/ 0/1993 S	59 5/8	8.11	DP1978
20 / 20.0	1972 / 100.00	MOHASCO INT 5.00 15/ 6/1987	52 / 0 1/3	9.62 / 11.06	
25 / 19.0	1965 / 100.00	MONSANTO INT 4.50 15/10/1985 S	87 3/4 / 47	3.19 / 7.23	60.36 1976
50 / 50.0	1972 / 100.00	J.P. MORGAN O/S CAP 4.25 15/ 6/1987	70 1/4 / 42 1/2	5.43 / 0.59	-3.80
50 / 0.9	1968 / 100.00	MOTOROLA INT 4.50 3/ 7/1983	123 / 32 1/8	3.66 / 2.69	-6.36
30 / 25.4	1968 / 100.00	NABISCO INT FIN 5.15 1/ 3/1988	89 1/4 / 19 3/0	5.08 / 8.36	16.31 DP1979
7 / 1.0	1967 / 100.00	NATIONAL CAN O/S 5.375 1/12/1987 S	60 / 16 3/8	3.83 / 5.37	-8.64
26 / 6.9	1968 / 100.00	NORWICH O/S 4.75 15/12/1983 S	78 1/2 / 22 5/4	6.16 / 6.15	69.08
25 / 16.0	1972 / 100.00	OWENS-ILLINOIS INC 4.50 1/ 7/1987	86 5/8 / 24 1/4	5.19 / 4.95	-3.09
30 / 27.0	1968 / 100.00	PAN AMERICAN O/S 5.25 1/ 9/1988	62 1/2 / 4 1/8	8.40	141.97 DP1978
25 / 12.0	1969 / 100.00	J.C. PENNEY EUROPE 4.00 1/12/1989	60 7/8 / 22 3/4	9.88 / 8.09	45.83
33 / 39.0	1972 / 100.00	J.C. PENNEY INT FIN 4.50 1/ 8/1987	60 1/4 / 22 3/4	7.47 / 8.09	122.46
10 / 7.7	1969 / 100.00	PLANNING RESEARCH INT 6.50 15/12/1984	66 5/3 / 5 3/8	9.76	DP1977
8 / 8.0	1968 / 100.00	PLYWOOD-CHAMPION INT 1.25 15/ 1/1985	85 / 21 5/8	0.18 / 6.47	5.14 1979
10 / 7.0	1971 / 100.00	RAMADA CAP 6.25 15/11/1986	60 1/4 / 0 1/8	10.37 / 1.90	53.16 DP1980
50 / 47.2	1968 / 168.00	RCA INT 5.00 1/ 2/1988	64 7/8 / 50 7/8	7.71 / 3.62	70.98 DP1979
26 / 21.2	1968 / 100.00	REVLON INT FIN 4.75 15/ 6/1983 S	106 / 39 1/4	4.53 / 3.97	-8.18
50 / 38.0	1972 / 100.00	REVLON 4.75 15/ 4/1987	00 / 39 1/4	5.28 / 3.97	-8.85
50 / 50.0	1968 / 100.00	REYNOLDS METALS CAP 5.00 1/ 6/1988 S	78 1/8 / 30 3/4	6.50 / 7.15	13.72 DP1979
13 / 12.5	1972 / 100.00	SAXON INDUSTRIES 5.75 51/10/1987 S	53 / 4 5/8	11.14	71.89 1981
15 / 14.3	1969 / 100.00	SCM OVERSEAS CAP.CORP. 5.25 1/ 3/1989	62 5/8 / 19	8.38 / 6.84	49.46 DP1979
15 / 15.0	1968 / 100.00	SEARLE INT 4.75 15/ 5/1988	101 3/8 / 21 1/2	4.67 / 2.42	-15.24 1983
30 / 30.0	1972 / 100.00	SOUTHLAND 5.00 15/ 7/1987	61 1/4 / 19 1/2	8.16 / 4.31	10.56
15 / 15.0	1979* / 100.00	SPECTRA-PHYSICS INT 8.00 15/12/1994 S	97 1/2 / 36 1/2	8.37	14.20
00 / 00.0	1973 / 100.00	SPERRY RAND 4.25 15/ 2/1988	90 1/8 / 46 1/4	4.78 / 3.17	-.36
50 / 50.0	1972 / 100.00	SQUIBB INT FIN 4.25 15/ 6/1987	71 3/0 / 31 7/0	5.93 / 3.58	28.08
75 / 75.0	1968 / 100.00	TEXACO OPERATIONS-EUROPE 4.50 1/ 7/1988 S	78 1/8 / 33 1/4	0.00 / 7.22	1.31
25 / 25.0	1978 / 100.00	TEXAS INT AIRLINES 7.50 15/ 8/1993	65 1/4 / 0 3/0	11.49 / 1.91	12.97
7 / 5.6	1969 / 200.00	THERMO ELECTRON INT 7.00 1/ 7/1984	88 / 24 3/8	7.95	0.85 DP1977
10 / 10.0	1968 / 100.00	TRW INT 5.00 1/ 2/1983	86 1/2 / 41 3/4	5.78 / 4.79	8.77 1978
15 / 15.2	1969 / 100.00	TYCO INT FIN 5.00 1/ 3/1984 0	71 3/0 / 25 3/8	7.13 / 3.94	72.99
7 / 7.2	1978 / 75.50	TYCO INT FIN -- 2ND ISSUE 5.00 1/ 3/1984 S	71 3/4 / 25 3/8	7.09 / 3.94	73.90
15 / 25.0	1978 / 100.00	TYCO INT FIN 8.50 15/ 0/1988	112 1/4 / 25 3/8	7.57 / 5.94	-7.10
50 / 38.6	1967 / 100.00	UNION CARBIDE INT 4.75 1/ 7/1982 S	82 3/0 / 38 1/4	5.85 / 7.84	22.68
30 / 30.8	1969 / 100.00	WALTER KIDDE FIN 5.00 1/ 2/1989	75 1/4 / 31 7/8	6.64 / 5.65	49.06 DP1980
15 / 15.0	1968 / 100.00	WARD FOODS O/S 5.75 1/11/1988	53 7/8 / 4 1/4	10.67	DP1979
15 / 1.2	1966 / 100.00	WARNER-LAMBERT 4.25 1/ 3/1981 S	89 / 18 7/8	4.83 / 4.99	8.45
30 / 30.0	1973 / 100.00	WARNER-LAMBERT 4.25 1/ 4/1988	58 5/0 / 10 7/0	7.25 / 0.99	91.02
40 / 40.0	1975 / 100.00	WARNER-LAMBERT 4.50 1/ 4/1987	61 1/2 / 18 7/8	7.32 / 0.99	56.40
20 / 7.5	1900 / 100.00	WARNER-LAMBERT 4.30 1/ 8/1988 S	00 / 18 7/8	7.64 / 6.99	-7.81
75 / 75.0	1973 / 100.00	XEROX CORPORATION 5.00 1/12/1988	60 / 35	3.33 / 5.09	61.45

INVESTMENT FUNDS

The following funds include Eurobond issues within their portfolios

Quotations & yields as at 31st March, 1980

SOCIETE GENERAL De BANQUE

BANQUE GENERALE Du LUXEMBOURG

Fund 31/3/80	Price	First Issue Price	Yield %	Div. Date	1/4/79 High	31/3/80 Low	1/4/77 High	31/3/80 Low
Rentinvest	LuxFr 759	LuxFr 1000	8.89	20/11/79 (F65)	LuxFr 860	LuxFr 752	LuxFr 918	LuxFr 752
Capital Rentinvest	LuxFr 1346	LuxFr 1000	(Capitalisation)		LuxFr 1430	LuxFr 1342	LuxFr 1430	LuxFr 1199

AIBD

PUBLICATION DATES 1980

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

It will be published on the following dates in the remainder of 1980.

Thursday	15th May
Wednesday	11th June
Monday	14th July
Tuesday	12th August
Monday	15th September
Monday	13th October
Tuesday	11th November
Tuesday	16th December

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AIBD Annual Meetings

May 15th and 16th, New York

Day One:

Conference

with the following speakers:

" North America and the International Securities Markets "

Mr. Robert Carswell, Deputy Secretary of the U.S. Treasury.

Mr. John G. Heimann, U.S. Comptroller of the Currency.

Mr. Frank J. Hoenemeyer, Executive Vice President, The Prudential Insurance Company of America.

Mr. Eugene H. Rotberg, Vice President and Treasurer, World Bank.

The Hon. Peter J. Solomon, Deputy Mayor for Economic Policy and Development, City of New York

The Mayor of the City of New York, The Hon. Edward I. Koch, will give a welcome address.

Day Two:

Annual General Meeting

with, as a lunchtime speaker,

The Hon. Jacques Parizeau, Minister of Finance of the Province of Quebec.

WestLB Euro-Deutschmarkbond Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8% South-Afr. Oil Fund 79/83 PP (G)	50.00	8.89	11.52	3.58	1.11.83
7¾% South-Afr. Oil Fund 78/84 PP (G)	91.00	8.52	10.67	3.92	1. 3.84
7½% South-Afr. Railway 73/88 (G)	87.10	8.91	9.86	8.17	1. 6.[illegible]—88S
9¼% South-Afr. Railway75/80 PP (G)	99.50	9.30	11.96	0.17	due 1. 8.[illegible]—80D
9¼% South-Afr. Railway 75/80 (G)	99.78	9.27	9.98	0.25	due 1. 7.80
8½% South-Afr. Railway 77/80 PP (G)	97.00	8.61	17.78	0.33	1. 8.[illegible]—80D
5% South-Afr. Railway 78/81 PP (G)	96.00	8.33	13.81	0.75	2. 1.81
7¾% South-Afr. Railway 78/82 PP (G)	91.00	8.52	12.93	2.08	1. 5.82
9% South-Afr. Railway 78/83 I PP (G)	88.00	9.09	12.70	3.25	1. 7.83
9% South-Afr. Railway 78/83 II PP (G)	88.00	9.09	12.48	3.42	1. 9.83
7¾% South-Afr. Railway 78/83 PP (G)	88.00	8.81	11.95	3.67	1.12.83
7% South-Scot. El. 73/88 (G)	88.78	7.89	9.09	7.83	1. 2.79—88S
6¾% Spain 77/84	84.75	7.96	11.38	4.33	1. 5.84
6% Spain 76/88	73.50	9.15	11.14	8.09	1. 5.88
9% Sparbank Oslo 78/90 PP	81.00	7.41	10.98	5.20	16. 5.81—90D
7¾% Standard Imp. & Exp. 78/82 PP	92.00	8.42	11.82	2.33	1. 8.82
6½% Stand. Chart. Bank 78/88	78.50	8.15	10.48	7.75	1. 1.88
6% Statoil 78/88 (G)	78.25	7.67	9.92	8.42	1. 9.84—88
6½% Statoil 78/89 (G)	79.75	9.15	10.04	8.92	1. 3.86—8S
7% Statsfoeretag 77/85	88.00	7.95	10.22	4.92	1. 3.82—8[illegible]
10% Steiermark 74/80 PP	99.79	10.03	10.28	0.50	1.10.80
8¾% Stockholm County 75/87	84.79	9.23	10.60	3.80	1. 4.79—87D
8½% Sumitomo Metal 75/82	97.50	8.72	9.79	2.25	1. 7.82
7½% Sun Oil Int. Fin. 73/88	89.25	8.40	9.40	8.33	1. 8.79—88S
7¼% Svenska Cell 78/88	88.00	8.24	9.48	7.83	1. 2.79—88S
9% Svenska Taendst. 75/86	102.00	9.82	8.17	2.84	1. 3.80—85S
6¾% Sveriges Inv. Bk. 72/87	88.50	7.83	9.05	9.92	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	88.50	7.91	9.10	7.92	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	96.25	9.83	9.92	3.17	1. 6.80—83S
6½% Sweden 77/84	88.78	7.32	9.98	4.05	1. 5.84
5% Sweden 77/89	78.25	7.87	9.92	9.67	1.12.83—89S
7¾% Sweden 79/89	86.50	9.96	10.05	9.25	1. 7.89
7½% Sweden 79/88 PP	84.00	8.93	10.23	8.33	1. 8.89
9% Sweden 80/87 PP	91.00	8.79	9.86	6.87	18. 2.87
6½% Tauernautobahn 74/81 (G)	100.00	9.50	9.43	1.25	1. 7.81
9% Tauernautobahn 75/82 PP (G)	88.00	9.18	10.18	1.92	1. 3.82
9% Tauernautobahn 75/83 PP (G)	98.00	9.19	9.81	2.92	1. 3.83
5½% Tauernautobahn 78/93 (G)	73.50	7.48	9.05	13.00	1. 4.84—83S
7% Tauernkraftwerke 88/83 (G)	95.50	7.33	10.01	1.80	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	97.75	9.65	7.38	3.42	1. 9.74—83S
8% Tenpfinco 73/93	85.00	9.41	10.08	13.58	1.11.82—83S
9½% Tenpfinco 75/82 PP	97.00	9.79	11.30	1.92	1. 3.82
6¾% Thailand 76/83 PP	87.00	7.19	11.63	3.00	1. 4.83
8½% Thyssen Car. Fin. 75/82 PP	97.00	8.78	10.23	2.00	1. 4.82
8¾% Thyssen Car. Fin. 75/82 PP	84.00	8.78	11.38	2.25	1. 7.82
6½% Thyssen Inv. 66/81	88.00	8.57	7.85	0.92	1. 3.72—81D
7¾% Tokyo El. Power 69/84	93.25	7.77	10.57	2.57	1.12.75—84D
6½% Tokyo El. Power 79/85	85.60	7.59	10.27	5.09	1. 5.95
6½% Toyo Rubber 78/83 PP	88.00	8.47	10.85	8.50	1.10.83
6½% Traf. House Fin. 72/87	93.00	6.99	7.75	7.50	1.10.78—87S
8% Trinidad & Tobago 78/83	88.25	7.04	12.16	3.00	1. 4.83
6¾% Trondheim 88/83	96.65	6.98	7.97	3.67	1.12.72—83S
5¾% Trondheim 78/88	77.75	7.40	10.40	6.97	1. 4.86—88D
7½% T R W Int. Fin. 69/84	91.75	8.17	10.05	4.50	1.10.75—84S
9% T V O Power 78/88 (G)	60.60	7.45	9.65	7.83	1. 2.84—88S
5¾% UDS Group 78/83	83.50	6.88	11.87	3.42	1. 9.83
6¾% Unilever 74/81 PP	100.25	9.73	9.51	1.67	1.12.81
8½% Unilever 75/87	97.25	8.74	8.04	7.08	1. 5.81—87S
6½% Union Bank Finland 78/88	80.25	8.10	9.98	9.71	15.12.84—88S
5¾% Uniroyal 78/84 PP	80.00	7.19	11.90	4.33	1. 8.84
6¾% Unit. Arab Emirates 77/82 PP	91.75	7.36	11.41	2.08	30. 4.82
7% Venezuela 68/83	95.00	7.37	6.88	3.50	1.10.74—83S
6% Venezuela 78/88	78.79	7.82	10.01	7.92	1. 3.84—88S
6½% Venezuela 78/90	79.00	8.23	9.76	10.58	1.11.85—90S
7% Vienna 88/83	95.70	7.31	8.78	3.17	1. 6.74—83S
8¾% Vienna 75/84	95.85	9.61	10.38	2.23	1. 8.79—84D
5¾% Vienna 77/84 PP	84.00	6.85	10.18	4.71	15.12.84
8½% Voest-Alpine 78/88	95.00	8.95	9.36	8.50	1.10.79—88S
8½% Voest-Alpine 75/85	96.50	8.81	9.95	3.07	1. 6.81—85D
6¾% Voest-Alpine 77/89	82.50	8.19	10.59	5.52	1. 9.84—89D
6½% Wells-Fargo ex w. 73/88	83.75	7.76	9.32	6.68	1.11.79—88S
8¾% Westland-Utrecht 80/85 PP	95.75	8.14	9.87	4.92	1. 3.65
5½% Worldbank 65/85	91.79	5.99	7.65	5.00	1. 4.71—85S
6½% Worldbank 88/80	98.85	9.58	9.96	0.33	due 1. 8.80
6½% Worldbank 68/84 PP	92.00	7.07	10.78	2.19	2. 1.77—84D
6½% Worldbank 69/84	91.50	7.10	10.56	2.60	1. 9.75—84D
6½% Worldbank 69/84 PP	91.75	7.08	10.50	2.19	2. 1.77—84D
9% Worldbank 69/84 PP	90.00	6.67	10.89	2.44	1. 4.77—84D
8½% Worldbank 70/80	99.60	8.53	9.91	0.33	due 1. 8.80
9% Worldbank 70/86	94.85	9.45	10.06	3.11	1. 1.77—86D
7½% Worldbank 71/86 I	91.00	9.24	10.68	3.52	1. 6.77—86D
7½% Worldbank 71/86 II	91.00	8.24	10.72	3.46	1.12.77—86D
6½% Worldbank 72/82	94.09	6.91	9.56	2.25	1. 7.82
6¾% Worldbank 72/87	88.75	7.91	10.56	3.72	1. 3.78—87D
5¾% Worldbank 73/83	93.25	7.24	9.56	2.83	1. 2.83
6¾% Worldbank 73/88	86.00	7.41	10.57	4.32	1. 5.79—88D
8¾% Worldbank 75/82 PP	95.50	8.64	10.65	2.17	1. 6.82
6% Worldbank 75/82	96.00	9.33	9.74	2.67	1.12.82
8¼% Worldbank 75/83	96.85	6.52	8.38	3.25	1. 7.83
6% Worldbank 76/82 PP	93.00	8.60	11.54	2.33	1. 8.82
7¾% Worldbank 78/82 PP	94.00	8.24	10.58	2.50	1.10.82
7½% Worldbank 76/83	94.40	7.94	9.58	3.08	1. 5.83
7¾% Worldbank 79/83	93.50	6.29	10.01	3.50	1.10.83
6¾% Worldbank 76/83 PP	88.00	7.67	10.86	3.67	1.12.83
8% Worldbank 78/84	95.00	6.42	9.60	3.83	1. 2.84
5½% Worldbank 77/82 PP	88.00	6.25	11.33	2.46	15. 9.82
7% Worldbank 77/85 PP	86.50	8.09	10.66	4.92	1. 3.85
6½% Worldbank 77/85 PP	83.25	7.81	10.96	5.08	1. 5.85
6% Worldbank 77/85	84.00	7.14	9.92	5.46	15. 9.85
7% Worldbank 77/87	85.50	6.19	10.05	6.75	1. 1.87
6½% Worldbank 77/87	82.25	7.90	10.13	7.08	1. 5.87
5¾% Worldbank 78/84	87.00	6.91	9.53	4.33	1. 8.84
6% Worldbank 78/88	77.50	7.74	10.11	8.33	1. 8.88
6¼% Worldbank 78/88	77.75	8.04	10.23	8.87	1.12.88
5¾% Worldbank 78/90	75.20	7.65	10.35	8.27	1. 2.87—90D
7% Worldbank 79/85 PP	86.00	8.14	10.54	5.33	1. 8.85
7⅛% Worldbank 79/87 PP	86.25	8.26	9.83	7.33	1. 9.87
7¾% Worldbank 79/91	83.65	9.26	10.25	11.25	1. 7.91
7¾% Worldbank 80/90	88.25	9.92	9.79	8.75	1. 1.90
7¾% Worldbank 80/90 II PP	88.00	8.95	6.83	9.75	1. 1.90
6¾% Yokohama 88/83 (G)	95.85	7.04	9.33	3.42	1. 8.72—83S
7% Yokohama 69/84 (G)	97.50	7.18	7.81	4.60	30. 9.73—84S
8% Yokohama 71/85 (G)	88.40	8.13	9.32	6.33	1. 8.77—86S
8¾% Yoshida Kogyo 75/80 PP	98.50	8.88	14.80	0.25	due 1. 7.80
8% Yugosl. Inv. Bank 77/84 PP	91.50	9.74	10.35	4.71	15.12.79—84S

AIBD

THE ASSOCIATION OF INTERNATIONAL BOND DEALERS

MARKET MAKERS

REGION 1 - BELGIUM

Dewaay, Sebille, Servais
Van Campenhout & Cie
Kredietbank N.V.

REGION 2 - FRANCE

Banque Arabe et Internationale d'Investissement (B.A.I.I.)
Banque de l'Union Européenne
Banque Nationale de Paris
Credit Commercial de France Paris
Credit Lyonnais
Interunion-Banque
Smith Barney Harris, Upham & Co. Inc.

REGION 3 - GERMANY/AUSTRIA

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Deutsche Bank AG
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Creditanstalt Bankverein
Girozentrale und Bank der Österreichischen Sparkassen AG

REGION 4 - ITALY

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Banco Ambrosiano S.p.A.
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Credito Italiano
Istituto Bancario Italiano
Istituto Bancario San Paolo di Torino

REGION 5 - LUXEMBOURG

Banque Générale du Luxembourg S.A.
Banque International à Luxembourg S.A.
Bayerische Landesbank International S.A.
Dewaay Luxembourg S.A.
Kredietbank S.A. Luxembourgeoise
Swiss Bank Corporation (Luxembourg)

REGION 6 - NETHERLANDS

H. Albert de Bary & Co. N.V.
Algemene Bank Nederland N.V.
Amsterdam-Rotterdam Bank N.V.
Barclays Kol & Co. N.V.
Centrale Rabobank Utrecht
Bank Van der Hoop, Offers N.V.
Bank Morgan Labouchere N.V.
F. van Lanschot
Nederlandsche Middenstandsbank N.V.
Nederlandse Credietbank N.V.
Pierson, Heldring & Pierson
Slavenburg, Oyens & Van Eeghen N.V.

REGION 7 - SCANDINAVIA

Bank of Helsinki Ltd. (Helsingfors Aktiebank)
Bergen Bank
Den norske Creditbank
Den Danske Bank af 1871 Aktieselskab
R. Henriques jr. Bank-Aktieselskab
Kansallis-Osake-Pankki
Kjöbenhavns Handelsbank
Postipankki
Privatbanken Aktieselskab
Skandinaviska Enskilda Banken
Union Bank of Finland (Nordiska Föreningsbanken AB)

REGION 8 - SWITZERLAND

Bondpartners S.A.
Credit Suisse/Swiss Credit Bank
Swiss Bank Corporation
Union Bank of Switzerland

REGION 9 - UNITED KINGDOM

Akroyd & Smithers Limited
Amex Bank Ltd.
Bank of America International Ltd.
Bankers Trust International Limited
Bondtrade
Chase Manhattan Ltd.
Chemical Bank International Ltd.
Citicorp International Bank Limited
Continental Illinois Limited
Credit Suisse First Boston Ltd.
Daiwa Europe N.V.
Deltec Trading Company Limited
Credit Commercial de France (Securities) Ltd.
Cresvale International
Dillon, Read Overseas Corporation
Dominion Securities Limited
European Banking Company Ltd.
First Chicago Limited
Goldman Sachs International Corp.
Hambros Bank Limited
IBJ International Limited
Kidder Peabody Securities Limited
Loeb, Rhoades, Shearson International Ltd.
Kuhn, Loeb Lehman Brothers International
Manufacturers Hanover Limited
McLeod, Young, Weir International Limited
Merrill Lynch, Pierce, Fenner and Smith (Brokers & Dealers) Ltd.
Morgan Stanley International
Nesbit, Thomson Limited
New Japan Securities Europe Ltd.
The Nikko Securities Co. (Europe) Ltd.
Nomura Europe N.V.
Orion Bank Limited
Pinchin, Denny & Co.
Ross & Partners
Salomon Brothers International Ltd.
Samuel Montagu & Co. Ltd.
Scandinavian Bank Limited
Strauss, Turnbull & Co.
Sumitomo Finance International
Vickers, da Costa & Co. Ltd.
S. G. Warburg & Co. Ltd.
Wedd Durlacher Mordaunt and Co.
Westdeutsche Landesbank Girozentrale
White Weld Securities
Wood Gundy Ltd.
Yamaichi International (Europe) Ltd.

REGION 10 - UNITED STATES

Arnhold and S. Bleichroeder Inc.
Bear Stearns & Co.
Drexel Burnham Lambert Inc.
Kidder, Peabody & Co. Inc.
Lehman Bros. Kuhn, Loeb Inc.
Lazard Freres & Co.
Merrill Lynch, Pierce Fenner Smith Inc.
Salomon Brothers
Atlantic Capital Corporation

REGION 11 - MIDDLE EAST

The Arab Co. for Trading Securities S.A.K.

هكذا من الأصل

INSURANCE

Indemnity to cover the key employee

BY OUR INSURANCE CORRESPONDENT

IT HAS long been common practice for the small- to medium-size business to arrange special insurance on vital staff. This is not for the individual's benefit, but to protect the company or partnership in some measure from the financial consequences of having one or more senior staff members disabled for a long period or killed.

The beginnings of this type of insurance were on the life side, but over the years most insurers have come to provide cover under annually renewable contracts against disablement from illness or injury. More recently, as the permanent health market has grown, non-cancellable cover has been offered for key staff.

When key employees' services are lost for some while because of disablement, there can be substantial loss of production or sales, however quickly a replacement can be obtained, however able that replacement is. If a replacement is obtainable, the company most probably has a double salary bill—for the employee off work and for the replacement.

Fixed sum

Practice has been for the company and insurers to fix a weekly or monthly sum for disablement, often closely related to the key employee's salary, and to arrange for that to be paid for the duration of incapacity or some shorter prearranged period.

But such a fixed sum has drawbacks. For example, the company may find its losses greater than the protection bought. Insurers can find the fortunate company is little worse off and making a handsome profit from the disablement insurance.

For both sides, the disadvantages can be circumvented if cover is arranged on an indemnity basis. The company covers loss of profits and increased cost of operation stemming from loss of the key employee.

Problems of under or over compensation are avoided. The company should be able to achieve some premium saving against the amount payable for traditional fixed benefit.

More and more insurers are offering such annually renewable contracts, involving amalgamation of some features of business interruption policies with some of disablement policies.

Thus the organisation must decide on its indemnity period and furnish figures for annual gross profit or gross revenue, allow for future trends and so on. As with other business interruption covers, the contract is written subject to average. If the organisation gets its sum wrong, it carries its own risk in due proportion.

Evidence

The organisation must explain its business, management structure, indicate where its key employee or employees fit in and perhaps even indicate what replacement steps it may take.

From the disablement aspect, the individual's physical condition is important. Depending on the indemnity limit required, and the particular insurer's underwriting view, medical evidence may be required at least from the key employee's own doctor.

Other underwriting aspects which go partly to premium, partly to restrictions in cover, are frequency and extent of foreign travel, and leisure sports and pastimes. Most modern annual disablement policies have a range of excluded sports and pastimes, some of which can be "bought back" at a price.

To arrange insurance without cover for known sports and pastimes is most shortsighted in these days of 35-hour five-day weeks. Probably buying back the whole range of exclusions will not more than double the premium. So buy-back for the average individual is unlikely to cost more than an extra 20 to 25 per cent.

EEC aid urged for UK cities

MORE EEC cash should be used to help English conurbations beat inner city problems, says the Association of Metropolitan Authorities.

Sir Godfrey Taylor, AMA chairman, says: "More EEC cash could be the immediate answer to the problems of the English conurbations. By any criteria of deprivation, but especially unemployment, our cities can justifiably call for more aid from the EEC's Regional Development Fund. We are making further representations about this to the EEC and our own Government."

APPOINTMENTS

Rediffusion group post

Mr. Richard Overend has been made Group financial controller of REDIFFUSION LIMITED. It will be the senior financial appointment in the Rediffusion Group. Since 1977 he has been financial director of Howard Machinery, who are releasing him to take up his new appointment on June 16. Mr. John Norris has become Group chief accountant.

★

Mr. N. C. Mutton has been appointed marine underwriter in Liverpool for ROYAL INSURANCE from October 1. He replaces Mr. F. H. Hunter, who is retiring on October 7.

Mr. H. A. Hitchcock and Mr. H. N. Millward have been appointed to the London Board of the BANK OF NEW ZEALAND. Mr. E. P. Chappell has retired from the London Board following his appointment as chairman of ICL.

★

Mr. Alastair Shand is retiring as executive chairman of SHENVAL PRESS. He will continue to serve as non-executive chairman and consultant, with particular emphasis on sales. Mr. Alexander Shand, managing director, will also assume the responsibilities of chief executive of the company.

★

Mr. P. Walker has been appointed chairman of MORLOCK INDUSTRIES while Mr. R. E. Wilkes and Mr. B. A. Blackman have been appointed to the Board as marketing director and manufacturing director, respectively.

★

Mr. David Peach has been made a director of TRUST SECURITIES HOLDINGS.

★

Mr. Peter Moate has been appointed a director of the AURORA HOLDINGS Group Board.

★

Mr. Leslie W. Peters has become commercial director of HERON MOTOR GROUP.

★

Mr. Anthony Williams is to become group financial director of HOWARD MACHINERY LIMITED. He is at present financial director of Howard Rotovator, and will succeed Mr. R. J. Overend whose appointment to Rediffusion Limited as group financial controller on June 16 has been announced.

★

Mr. Garret Wellesley has been appointed Group vice president, trust department, BANK OF AMERICA NT AND SA. He continues a director of Bank of America International Ltd.

★

Mr. Peter Flood is to join the board of HENRY WIGGIN AND CO. on May 1 and will continue as manufacturing manager. Mr. Brian Aisbitt will also be appointed to the board on that date as director and general manager, marketing, moving from Spartan Redheugh where he has held the position of group managing director.

★

Professor J. C. Higgins, director of the Bradford University Management Centre, has joined AMOS HINTON AND SONS as a non-executive director.

★

Mr. Frank Innes and Mr. Charles H. Wrightson have been appointed directors of HORNE-BAILEY, a member of the N. G. Bailey Organisation.

★

Mr. Norman Blacker has been appointed director of finance, BRITISH GAS CORPORATION.

★

Mr. R. Dennis Pearce has been appointed personnel director of the Ocean Cory Division of OCEAN TRANSPORT AND TRADING to succeed Mr. Tony Stanton, who has become managing director of Cory Distribution in Bracknell, Berkshire.

★

Mr. Bill Dodds has been elected president of the INSTITUTE OF FORESTERS in succession to Mr. R. C. Steele.

★

Mr. Brian St. J. Mowbray, chairman of United Linen Services, has been elected president of the BRITISH TEXTILE RENTAL ASSOCIATION. Mr. Jack A. C. Kneel has become vice-president.

★

Mr. T. G. Dick has been appointed sales director for BRENTCHEM, part of the Brent Chemicals International group.

★

Mr. David B. Palin has been appointed managing director of S. AND P. COIL PRODUCTS, a member of the Halma Group.

★

Mr. James White has joined the Board of BUNZL PULP AND PAPER. He was until recently a director of Lex Service Group.

★

Mr. Clark Watson has joined HUTCHISON AND CRAFT and will become managing director of the group in July. Mr. F. A. Shearer is to retire as managing director but will remain a director. Mr. Watson was formerly regional director of Reed Stenhouse (UK) for the West of Scotland.

★

Dr. R. Iley has been appointed chairman of ASSOCIATED LEAD MANUFACTURERS following the retirement of Mr. D. F. Doe. Mr. P. A. Clark has been appointed a director.

★

Mr. C. Hammond and Mr. A. J. M. Koskull have become corporate finance directors (international) in MIDLAND BANK INTERNATIONAL'S new northern European region.

★

Mr. A. G. Macpherson has been appointed a non-executive director of R.F.D. GROUP. Mr. A. E. Queenling has retired from the Board and its subsidiaries and has been succeeded as Group financial director by Mr. J. R. Pratt, who was appointed to the Board on January 1.

★

Mr. Henry Kingsley, a director, has been appointed managing director of COLE EQUIPMENT, a Cole Group company. Mr. Hugh Fayers has also been appointed to the Board.

★

Mr. D. T. Keough has been appointed marketing director of VICTORIA WINE.

★

Mr. Norman W. McKillop has been appointed managing director of PLASTICISERS, part of the Readicut International Group.

★

Mr. J. J. O'Brien, deputy general manager, British Rail, London Midland Region, has been appointed a member of BARCLAYS' Birmingham local Board. Mr. B. S. Bowden, a general managers' assistant, has become executive local director, Darlington. Mr. G. B. Hibbert, an executive local director, Darlington district, has been made an executive local director, Liverpool. Mr. A. C. Wakelin, a general managers' assistant, has become executive local director, Luton.

★

Mr. Mike Roberts has become Group financial director for the OFREX GROUP.

★

Mr. Lucien C. Bouchy and Mr. Stuart J. Fraser have become members of WILLIAMS DE BROE HILL CHAPLIN, stockbrokers.

★

Mr. John Sadiq has been appointed group managing director of BROWN AND JACKSON. Mr. R. Dunn has become deputy chairman of the Board of BROWN AND JACKSON. He continues in his role as financial director. The company has also made the following Board appointments: Mr. Michael Israel, managing director of Grakochus and Louis Israel Footwear; Mr. Eli Harris, managing director of E. and G. Harris; Miss Gita Mehta, director of R. L. Autoguard Extended Warranties; Mr. Elwyn Nicol, managing director of Brown and Jackson (Developments); and Mr. Juliusz Tigner, managing director of Tigner-Roche and Company (London).

★

Mr. Charles E. Spruell has been appointed president and general manager, Mobil Producing Northwest Europe Incorporated in London. He succeeds Mr. John P. Keehan who has been appointed general manager producing in New York with responsibility for exploration and producing activities in Europe, Nigeria, Libya and Indonesia.

★

Mr. George McCulloch has been appointed a non-executive director of BRAIDWOOD DEVELOPMENTS.

A copy of this Offer for Sale, having attached thereto the documents specified herein, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange for the issued share capital of Amstrad Consumer Electronics Limited (the "Company") to be admitted to the Official List. This Offer for Sale includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

The application list for the ordinary shares now offered for sale will open at 10 a.m. on Thursday, 17th April, 1980 and may be closed at any time thereafter. The procedure for application is set out at the end of this Offer for Sale.

AMSTRAD

Amstrad Consumer Electronics Limited

Offer for Sale
by
Kleinwort, Benson Limited
of

2,331,250 ordinary shares of 25p each at 85p per share

payable in full on application

The ordinary shares now offered for sale will rank in full for all dividends hereafter declared or paid on the ordinary share capital of the Company.

SHARE CAPITAL

Authorised		Issued and fully paid
£2,500,000	in 10,000,000 ordinary shares of 25p each	£2,331,250

INDEBTEDNESS

At 31st March, 1980 the Company had outstanding no mortgages, charges or loan capital (including term loans) or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, or guarantees or other material contingent liabilities.

Directors
Alan Michael Sugar
Chairman and Managing Director
James Leonard Rice, B.A.
Finance Director
Ronald Joseph East, M.A.
Non-Executive Director
Neville Fraser Shearman, F.C.C.A.
Non-Executive Director

Amstrad Consumer Electronics Limited,
1–7 Garman Road, Tottenham,
London N17 0UF

Secretary and Registered Office
James Leonard Rice, B.A.
Amstrad Consumer Electronics Limited, 1–7 Garman Road, Tottenham, London N17 0UF

Auditors and Reporting Accountants
Touche Ross & Co. *Chartered Accountants*
Hill House, 1 Little New Street, London EC4A 3TR

Solicitors *To the Company and to the Offer*
Herbert Smith & Co.
Watling House, 35–37 Cannon Street, London EC4M 5SD

Stockbrokers
W. Greenwell & Co.
Bow Bells House, Bread Street, London EC4M 9EL

Bankers
Lloyds Bank Limited
19 Upper Street, London N1 0PT

Receiving Bankers
Kleinwort, Benson Limited
New Issue Department, 10 Rood Lane, London EC3M 8BB

Registrars and Transfer Office
Lloyds Bank Limited
Goring-by-Sea, Worthing, West Sussex BN12 6DA

Summary

The following information is derived from the full text of this Offer for Sale and accordingly must be read in conjunction with that text.

Trading Record

	18 months and 23 days ended 30th June, 1976	Year ended 30th June, 1977	Year ended 30th June, 1978	Year ended 30th June, 1979	6 months ended 31st December, 1979
	£000	£000	£000	£000	£000
Sales	3,790	3,831	4,451	5,597	4,797
Profit before and after taxation and after extraordinary item in 1977 of £110,000	555	473	525	908	871

Assets at 31st December, 1979	
Net tangible assets	£3.7 million
Net tangible assets per share, on the basis of the 9,325,000 shares now in issue	40.0p
Forecast for the year ending 30th June, 1980	
Profit before taxation—not less than	£1.3 million
Earnings per share, on the basis of the 9,325,000 shares now in issue:	
Based on expected tax charge (before proposed dividend waiver) of £80,000 (being Advance Corporation Tax in respect of forecast final dividend per share of 2.0p)	13.1p
Based on notional tax charge of £676,000 (being at the rate of 52 per cent).	6.7p
Dividends per share which the Directors would have expected to recommend to be paid if the share capital of the Company had been listed for the whole of the year	3.3p
Dividend cover based on dividend per share of 3.3p	
Based on notional tax charge (before dividend waiver) of £132,000 (being Advance Corporation Tax in respect of a dividend per share of 3.3p)	3.8 times
Based on notional tax charge of 52 per cent.	2.0 times
Offer for Sale Statistics	
Offer for Sale price per share	85p
Market capitalisation at the Offer for Sale price	£7.9 million
Price earnings multiple on forecast profits:	
Based on expected tax charge of £80,000.	6.5 times
Based on notional tax charge of 52 per cent.	12.7 times
Dividend yield based on dividends per share of 4.7p (being 3.3p including the related tax credit assumed at 3/7ths)	5.5 per cent.

The following is a copy of a letter to the Directors of Kleinwort, Benson Limited from Mr. A. M. Sugar, Chairman and Managing Director of Amstrad Consumer Electronics Limited:—

1–7 Garman Road,
Tottenham,
London N17 0UF
10th April, 1980

The Directors,
Kleinwort, Benson Limited.

Dear Sirs,
In connection with your Offer for Sale of ordinary shares in Amstrad Consumer Electronics Limited (the "Company"), I have pleasure in providing you with the following information about the Company.

History and Business

The Company was formed in 1968 to carry on the business of the wholesale distribution of car accessories and other electrical finished goods which I started in 1966. The hi-fi market was then in the early stages of development and the Company expanded its range of products to include hi-fi equipment.

In the late 1960's and early 1970's the hi-fi market revolved, to a considerable extent, around the enthusiast who assembled his own hi-fi equipment and this made individual items such as cabinets and tinted plastic lids for record players much in demand. By 1970 it became apparent that these plastic lids could be manufactured at significantly less cost if they were made, in volume, by the injection-moulding process instead of the vacuum-forming process then being used by most manufacturers. The Company adopted this process and sales quickly exceeded expectations.

The profits generated by this venture enabled the Company to invest in the next stage of its development in the then fast expanding hi-fi market, with the production of a hi-fi amplifier. The Company recruited a design engineer and in 1971 stereo amplifiers were first manufactured in the Company's premises in London. Sales were backed by advertising in hi-fi magazines and participation in hi-fi exhibitions throughout the country. The success of this amplifier prompted the Company to make a matching stereo FM tuner which was promoted in the same way and met with similar success.

The Company found that retail outlets were requesting the supply of hi-fi equipment not yet included in the product range. At this stage the Company moved to larger premises which enabled it to manufacture receivers (tuner and amplifier combined), loudspeakers and record players. As demand grew, specialist sub-contracting firms were used to make sub-assemblies for use by the Company in the final assembly of its units. This enabled production to be increased without a corresponding increase in overheads and expenses.

By 1974 the brand name "Amstrad" had become popular within the hi-fi market and during 1974 the Company extended its range to include the increasingly popular stereo cassette deck (an add-on item which allows cassette tapes to be played through existing hi-fi equipment), for which it had a ready-made market in the form of owners of Amstrad hi-fi equipment. It was not then practicable to produce cassette decks in the U.K. since neither the parts nor the technology were available at an economic price, and the Company decided to import stereo cassette decks from Japan. These imports subsequently incorporated the popular Dolby noise reduction system. Sales of cassette decks were substantial and the Company realised the advantages of combining the import of a finished product, over which it retained control of quality and specifications, with the Amstrad brand name.

The Company's development continued with its expansion into the in-car entertainment market, a rapidly growing area which could be exploited to advantage using the Amstrad brand name and offering good quality sound reproduction for the car. Car radio/cassette units were first imported in 1975 and subsequently car radios, cassette players and graphic equalisers (sound amplification systems) were added to the range.

In the early part of 1977 the Company decided to redesign its range of hi-fi products to meet changing demands in the market and take advantage of new technology and styling. It was at this time fashionable to stack separate components of a hi-fi system, namely the amplifier, tuner and cassette deck, into a custom built racking unit for the sake of appearance and style. Units of popular Japanese systems were being produced with brushed silver aluminium panels to a uniform style and size to enable them to be stacked in this way, and the redesign of the Company's range took account of this, resulting in products manufactured in the U.K. with Japanese styling.

The new range proved successful and, as the Company was able to offer customers in Europe a more flexible service and delivery schedule than rival Far Eastern manufacturers whilst providing similar styling, these products were also purchased by other companies to sell under their own brand names in the U.K. and overseas. In 1978 the Company became a full licensee of Dolby Laboratories Licensing Corporation and this enabled it to produce, under licence, Dolby noise reduction circuits for cassette decks designed by the Company to match its newly styled range of amplifiers, tuners and receivers.

By the end of 1977, the Company was fully established in its present headquarters in Garman Road, Tottenham. In addition to importing the in-car entertainment products, the Company was using sub-contractors to carry out the whole assembly operation for its hi-fi products. By late 1978, the Company had acquired a manufacturing facility at Southend which was principally a cabinet works. This factory was reorganised to produce racking units and hi-fi speakers, mainly for other companies to sell under their own brand names in the U.K. and overseas.

During late 1978, the Company entered the sector of the market which, in its view, attracts probably the largest volume of spending on consumer electronic items. This sector covers, *inter alia*, clock radios, portable radios, portable cassette players and recorders, portable televisions and music centres. The Company tested its brand name in this market by importing a clock radio and, following the success of this item, introduced a clock radio/cassette and a portable black and white television, both also imported from the Far East. In addition the Company built on its success with the racked system by producing a Tower system which combined the appearance of separate racked units with the economy of a music centre in which the amplifier, tuner and cassette deck are integrated in one chassis. By late 1979 this unit was being assembled at the Southend plant, using a main electronic chassis produced by a sub-contractor in the Far East to the Company's specification, design and tooling. Entry into this sector of the consumer electronics market opened up new sales outlets for the Company consisting largely of mail order companies, whose method of ordering gives the Company a more stable demand forecast on which to base its production.

The Company is now well established in three market sectors: hi-fi, in-car entertainment and the sector of the consumer electronics market mentioned above. The Company has developed considerable skill and expertise in meeting the demand in these markets economically and effectively by selecting and combining various methods, i.e.: the import of finished and semi-finished goods; the use of sub-contractors to assemble products in the U.K.; and its own manufacture and assembly. In all cases the Company retains full control over the design, development, manufacture and quality of its products. Virtually all components are readily available from a wide range of sources.

Product Range

The Company's products are generally priced at the lower end of the price range in their market. Retail prices vary from approximately £12 for car speakers to approximately £180 for the Tower system. The main products presently marketed under the Amstrad brand name by the Company are:—

Hi-Fi Equipment
Speakers
Turntables, amplifiers and tuners
Cassette deck incorporating the Dolby system
Receivers
Micro hi-fi

In-Car Entertainment
Speakers
Graphic equalisers
Radios, cassette players and radio/cassette units

Other
Clock radio and
Clock/radio/cassette recorder
Portable black and white televisions
Tower system

New products to be introduced during 1980 and 1981

New products to be introduced in 1980 and 1981 include: a portable radio; three portable radio/cassette recorders; a music centre; two stereo cassette decks incorporating the Dolby system with facilities to accept the recently introduced metal tapes; an amplifier incorporating a graphic equaliser and light emitting diodes to provide continuous monitoring of output; a high quality micro amplifier capable of high power output; a micro pre-amplifier incorporating a graphic equaliser; and a synthesised micro tuner (using micro-processor technology) incorporating a digital display, clock function and station pre-selection facilities. In addition to introducing these products the Company intends to update existing products in order to take account of the latest styling and technology.

Marketing Philosophy

The Company's marketing philosophy is to supply to the mass market products which provide the highest possible technical specification at a price affordable by the average man in the street. The Company seeks to be flexible as regards design by maintaining a continuous review of world-wide advances. We sometimes innovate, but for the most part seek to make use of and develop concepts which have been proven to be successful. We have not found patent protection of significance to our business in terms of enhancing the value of our innovations; nor have the patents and copyrights of others imposed any material constraint on us.

The Company promotes its products through national and trade press and participates in trade and public exhibitions, including the annual Radio Trade Show in London. In the United Kingdom, sales are made to retail outlets, including chain stores such as Comet Radiovision Services Limited, F. W. Woolworth & Co. Limited, Rediffusion Limited and Telefusion Limited and specialist hi-fi shops, to mail order concerns such as Littlewoods and Great Universal Stores, and to a large buying group of over 700 independent retailers. In the year ended 30th June, 1979, sales to Comet Radiovision Services Limited amounted to approximately £2.2 million. By the end of 1980 the Directors anticipate that the volume of sales to the new chain stores and mail order outlets developed in the last 18 months will in total exceed those to Comet Radiovision Services Limited. Export sales, which for the year ended 30th June, 1979 accounted for approximately 26 per cent. of turnover, are made through agents in the countries concerned, principally France, Belgium, Holland, Spain and Greece.

Directors, Management and Staff

Directors

I am the Chairman and Managing Director of the Company, which I founded in 1968. I am 33 years old. I regard as one of my main responsibilities the vital function of the identification of new markets and the selection of the method of meeting demand in the most economical and efficient way.

Mr. J. L. Rice, B.A. (aged 34) has been with the Company since 1977. He joined the Board in February, 1980 and is Finance Director and Company Secretary. In the 7 years prior to joining the Company he carried out accounting and financial management functions in other manufacturing companies.

Mr. R. J. East, M.A. (aged 48) is a Non-Executive Director who joined the Board in February 1980. He is the Deputy Chairman of Bernard Wardle and Company Limited. He was previously a Director and Chairman of a number of companies within the G.K.N. Group up to late 1977; before that he was with the Ford Motor Company.

Mr. N. F. Shearman, F.C.C.A. (aged 55) is a Non-Executive Director who joined the Board in February 1980. He is a senior partner of Mordant Latham & Co., formerly the Company's auditors. He has considerable experience in financial aspects of the light electronics industry and has advised the Company on financial matters for several years.

Management and Staff

An Executive Committee has been established to carry out the day to day management of the Company, within parameters determined by the Board, and consists of myself, Mr. J. L. Rice and the following senior management personnel: Mr. S. F. Randall (aged 39) who is responsible for purchasing and administration and has been with the Company since 1970; Mr. S. Burns (aged 43) who is responsible for production control and has been with the Company since January 1977; Mr. M. Forsey (aged 40) who is Chief Engineer and responsible for the technical aspects of the business, including research and development, and has been with the Company since 1974; and Mr. R. A. Mould (aged 34) who is the Sales Manager and has been with the Company since 1975. Members of the Committee attend Board Meetings from time to time.

I have a service agreement for an initial term expiring on 30th June, 1985, and all the other members of the Executive Committee have service agreements for initial terms expiring on 30th June, 1982. All the agreements will continue after those dates unless and until determined by six months' notice on either side.

The Company currently has 132 employees of whom 93 are engaged in production, quality control and transport and 39 in sales, servicing and administration. The Company is contracted in to the State Scheme for its pension arrangements.

Properties

The Company owns the freehold of its premises at 1-7 Garman Road, Tottenham, London N17 0UF, comprising a gross area of about 44,000 square feet which incorporates the Company's headquarters, accounting and administration offices and a warehousing area. The Company acquired the premises in May, 1977. In September, 1979 the property was valued by Chamberlain & Willows, Surveyors and Valuers, at £395,000 on an existing use basis, and it was included in the accounts at 30th June, 1979 at this valuation.

The Company owns an underleasehold interest in 14 Stock Road, Southend-on-Sea. The term expires in July, 1991. The current rent, which was fixed in August, 1979, is £17,500 and is subject to upwards only review in August, 1982 and every 3 years thereafter. The premises have an area of some 15,700 square feet and comprise a modern factory with warehousing facilities and ancillary office space.

Profits and Prospects

The Company has achieved continuously rising sales during its last five financial periods and margins throughout have been good.

During 1977 and 1978 margins were affected by a sharp rise in costs experienced by the industry generally, the disruption to the Company's business caused by the move to Tottenham and the launching period of a new range of hi-fi products.

The Amstrad brand name is now widely recognised in the market and associated with good value and up-to-date design. The Company has steadily introduced new products and opened up new market sectors, its breakthrough in 1979 into the mail order business being particularly significant.

The Company's success has been achieved in a very competitive industry. The Company's record demonstrates its ability to stay ahead of its competitors, by using an individual and flexible approach to production and by identifying new markets and introducing new products profitably, quickly and with confidence.

Since 31st December, 1979 the Company has experienced the normal seasonal downturn in both sales growth and margins during the second half of its financial year. Nevertheless, the accounts for the eight months ended 29th February, 1980 (which include unaudited management accounts for the last two months of that period), show that, compared with the same period last year, there has been substantial sales growth in real terms and margins have improved. On the basis of the assumptions set out in paragraph 1 of Appendix I to this Offer for Sale, the Directors forecast that, in the absence of unforeseen circumstances, the Company's profit before taxation and extraordinary items for the year ending 30th June, 1980 will be not less than £1,300,000, compared with £908,311 for the year ended 30th June, 1979.

Dividends

On the basis of the above forecast, the Directors intend to recommend a single net dividend of 2.0p per ordinary share (equivalent to 2.86p gross per ordinary share with the related tax credit at the current rate of 3/7ths) on each ordinary share in respect of the year ending 30th June, 1980. This dividend will be paid in November 1980.

If the above forecast had related to a year during the whole of which the share capital of the Company had been listed, the Directors would have expected to recommend dividends of such amounts per ordinary share as would, when added to the related tax credit at the current rate of 3/7ths, have produced a gross equivalent of 4.7p per ordinary share payable as follows:—

	Per ordinary share
Interim	1.84p payable in April
Final	2.86p payable in November
	4.70p

I intend to waive my entitlement to dividends in respect of the year ending 30th June, 1980, except for a nominal 0.1p per ordinary share.

Appropriation of Profit and Offer for Sale Statistics

By way of illustration only, the following table sets out how a profit before taxation of £1,300,000 for the year ending 30th June, 1980 would be appropriated:—

(a) excluding the costs of the Offer for Sale; and

(b) (i) assuming a charge for corporation tax of £80,000, being unrelieved Advance Corporation Tax calculated on the basis of existing tax legislation and without taking account of the proposed dividend waiver, and on the assumptions on which the profit forecast has been prepared and taking into account forecast stock levels and capital expenditure, and (ii) assuming a notional tax charge at a rate of 52 per cent.

	(i) Expected tax charge of £80,000	(ii) Notional tax charge at a rate of 52 per cent.
	£000	£000
Profit before taxation	1,300	1,300
less: taxation	80	676
Profit after taxation	1,220	624
less: Forecast final dividend	187	187
Retained profit (before proposed dividend waiver)	1,033	437
Earnings per ordinary share based on 9,325,000 issued shares	13.1p	6.7p
Price earnings multiple at the Offer for Sale price of 85p per ordinary share	6.5 times	12.7 times
Dividend yield based on the dividends per ordinary share of 4.7p (inclusive of related tax credit assumed at 3/7ths) which the Directors would have expected to recommend if the share capital of the Company had been listed for the whole of the year		5.5 per cent.
Dividend cover based on dividends per ordinary share of 3.3p (being 4.7p net of related tax credit assumed at 3/7ths)		
Based on notional tax charge (before dividend waiver) of £132,000 (being Advance Corporation Tax in respect of a dividend per share of 3.3p)		3.8 times
Based on notional tax charge of 52 per cent.		2.0 times

At the Offer for Sale price of 85p per ordinary share, the Company is capitalised at approximately £7.9 million.

The Future

My fellow Directors and I believe that by continuing to use an individual and flexible approach to production, and by maintaining our overall strategy of offering quality products at an economic price, the Company will continue to expand its business.

The Company is well established in the hi-fi and in-car entertainment markets and intends to continue in these markets by updating existing products and introducing new products to take account of new technology and marketing opportunities. We believe that the sector of the consumer electronics market which we have entered in the last 18 months with clock radio, radio/cassette, music centre and television products holds considerable potential for further growth in our sales.

The Company is conscious of many opportunities which will arise for it to exploit the skill and expertise it has developed in meeting the demand for its products. We are ready to take advantage of new technology in the consumer electronics field and to explore opportunities in other markets allied to our existing business.

Yours faithfully,
A. M. Sugar,
Chairman.

ACCOUNTANTS' REPORT

The following is a copy of the report to the Directors of Amstrad Consumer Electronics Limited and Kleinwort, Benson Limited received from Touche Ross & Co., the Company's Auditors and the Reporting Accountants:—

Hill House, 1 Little New Street,
London EC4A 3TR
10th April, 1980

The Directors,
Amstrad Consumer Electronics Limited and
Kleinwort, Benson Limited.

Gentlemen,

We have examined the audited accounts of Amstrad Consumer Electronics Limited (the "Company") for the accounting periods from 9th December, 1974 to 31st December, 1979 (the "relevant accounting periods").

The auditors of the Company for the accounting periods from 9th December, 1974 to 30th June, 1978 were Mordant Latham & Co.; for the year ended 30th June, 1979, Mordant Latham & Co. and Touche Ross & Co. jointly; and for the six months ended 31st December, 1979, Touche Ross & Co.

The information set out below is based on the audited accounts after making such adjustments as we consider appropriate. The accounts have been prepared under the historical cost convention, including the revaluation of a freehold property, and in accordance with the standards approved from time to time by the accounting bodies.

In our opinion the information gives, on the accounting basis stated above, a true and fair view of the profits and source and application of funds of the Company for the five years and twenty three days ended 31st December, 1979 and of the state of affairs of the Company at 31st December, 1979.

1. Accounting Policies

The following are the principal accounting policies adopted in arriving at the financial information set out in this report.

(a) Depreciation

Depreciation is provided on fixed assets, at cost or valuation, on a straight line basis at annual rates based on the estimated economic lives of the assets as follows:—

Freehold buildings	2%
Leasehold buildings	over the residual term of the lease
Plant and machinery	20%
Fixtures, fittings and equipment	10%
Motor vehicles	25%
Aircraft	10%

The Company's principal freehold property was revalued in September, 1979. This valuation was included in the accounts at 30th June, 1979. Depreciation of £2,850 was charged in respect of freehold buildings in the six months ended 31st December, 1979. No depreciation was charged in respect of freehold buildings in previous accounting periods.

(b) Stock

Stock is valued at the lower of invoiced cost to the Company and net realisable value. Labour and overheads incurred in the manufacturing and assembly process, other than sub-contract labour, are not included in the stock valuation as they do not have a material effect on the stock valuation or the trading profit.

(c) Deferred tax

Provision is made in the accounts for U.K. corporation tax deferred by reason of stock appreciation relief, capital allowances, and other timing differences, except to the extent that such timing differences can be demonstrated with reasonable probability to continue in the foreseeable future.

(d) Foreign currencies

Assets and liabilities at the end of a period have been translated at the rates ruling at that date. Gains and losses arising from foreign currency exchange transactions during the relevant accounting periods have been treated as normal items of each period's operations.

2. Profit and Loss accounts

	Notes	18 months and 23 days ended 30th June, 1976	Year ended 30th June, 1977	Year ended 30th June, 1978	Year ended 30th June, 1979	6 months ended 31st December, 1979
		£000	£000	£000	£000	£000
Sales	(a)	3,790	3,831	4,451	5,597	4,797
Cost of goods sold	(b)	(3,261)	(3,300)	(3,960)	(4,717)	(3,931)
Profit from operations		529	531	491	880	866
Other income	(c)	26	52	34	28	5
Profit before taxation		555	583	525	908	871
Taxation	(d)	—	—	—	—	—
Profit after taxation and before extraordinary item		555	583	525	908	871
Extraordinary item	(e)	—	(110)	—	—	—
Profit after taxation and extraordinary item retained by the Company	(f)	555	473	525	908	871
Earnings per ordinary share	(g)	6.0p	6.3p	5.6p	9.7p	9.3p

Notes to profit and loss accounts

(a) Sales consist of the total sales invoiced to customers during the accounting period exclusive of VAT

(b) Cost of goods sold includes:					
Depreciation of fixed assets	21	26	35	64	43
Directors' emoluments	24	18	28	39	19
Interest payable	18	20	44	61	62
Discounted bills commission	—	—	—	—	48
(c) Other income:					
Surplus on disposals of assets	—	1	6	18	—
Interest receivable	25	40	—	—	—
Miscellaneous income	1	11	28	10	5
	26	52	34	28	5

(d) Taxation:

Due to the availability of stock appreciation relief and capital allowances, no corporation tax was payable during the relevant accounting periods. In accordance with accounting policy 1 (c) above, no provisions have been made for deferred tax. If full provision on the liability method had been provided, the taxation charge in each period would have amounted to approximately 52 per cent. of the profit before tax and after extraordinary items except in the year ended 30th June, 1979, when the charge would have been reduced by £60,000 as a result of stock appreciation relief becoming permanent under Schedule 3 to the Finance (No. 2) Act 1978.

(e) The extraordinary item is the cost of removal to the freehold property at Garman Road.

(f) No dividends were paid to shareholders in the relevant accounting periods.

(g) Earnings per share have been calculated on the 9,325,000 ordinary shares in issue after reflecting the capitalisation issue on 9th April, 1980 referred to in note 3 (d) below and on the profit after taxation and before the extraordinary item for the relevant accounting periods.

3. Balance Sheet at 31st December, 1979

	Notes	£000	£000
Fixed assets	(a)		735
Current assets			
Cash and bank balances	(b)	445	
Debtors		1,221	
Stock	(c)	2,892	
Taxation recoverable		164	
		4,722	
Current liabilities			
Creditors		843	
Bills payable		882	
		1,725	
Net current assets			2,997
Net tangible assets			3,732
Representing			
Share capital	(d)		60
Reserves	(e)		3,672
			3,732

Notes to balance sheet

(a) Fixed assets

	At valuation (see below)	At cost	Accumulated depreciation	Net book value
	£000	£000	£000	£000
Freehold property	395	18	2	411
Leasehold property	—	1	—	1
Plant and machinery	—	259	109	150
Fixtures, fittings and equipment	—	121	32	89
Motor vehicles	—	95	30	65
Aircraft	—	22	3	19
	395	518	176	735

A freehold property was valued on the basis of existing use at £395,000 in September, 1978 by Chamberlain & Willows, Surveyors and Valuers. This valuation was included in the accounts at 30th June, 1979.

(b) Bank facilities

The Company had outstanding at 31st December, 1979 a fixed and floating charge over all its assets in favour of Lloyds Bank Limited. This charge has been released since that date.

(c) Stock

	£000
Finished goods	1,786
Work in progress	300
Raw materials and components	806
	2,892

(d) Share capital

	£000
Authorised: £100,000 in ordinary shares of £1 each	
Issued and fully paid: 60,000 ordinary shares of £1 each	60

On 9th April, 1980, conditionally on the admission of the issued shares in the Company to the Official List by the Council of The Stock Exchange, the authorised share capital of the Company was increased to £2,500,000, each ordinary share of £1 was sub-divided into four ordinary shares of 25p each and £2,271,250 standing to the credit of reserves was capitalised and a capitalisation issue was made to shareholders of 9,085,000 ordinary shares of 25p each (increasing the issued share capital to £2,331,250).

(e) Reserves

	£000
Distributable	
At 9th December, 1974	297
Retained profits 9th December, 1974 to 31st December, 1979	3,329
Capitalisation issue—30th June, 1979	(30)
	3,596
Non distributable	
Surplus on revaluation of a freehold property at 30th June, 1979	76
At 31st December, 1979	3,672

(f) Taxation:

Following accounting policy 1 (c) no provision has been made for deferred tax.

The potential liability for deferred taxation at 31st December, 1979 is:—

	£000
Stock appreciation relief	1,700
Capital allowances	153
Losses carried forward	(102)
	1,751
Corporation tax payable if a freehold property was disposed of at its revalued amount	23
	1,774

(g) Capital commitments

Contracted for but not provided in the accounts	Nil
Authorised but not contracted for	Nil
	Nil

4. Source and Application of Funds

	18 months and 23 days ended 30th June, 1976	Year ended 30th June, 1977	Year ended 30th June, 1978	Year ended 30th June, 1979	6 months ended 31st December, 1979
	£000	£000	£000	£000	£000
Source of funds					
Net profit before taxation	555	583	525	908	871
Adjustment for items not involving the movement of funds:					
Depreciation	21	26	35	64	43
Total generated from operations	576	609	560	972	914
Application of funds					
Purchase of fixed assets	(86)	(381)	(127)	(206)	(22)
Corporation tax paid but recoverable	—	—	—	(164)	—
	490	228	433	602	892
Movements in working capital					
Stock	384	976	(47)	1,428	(30)
Debtors	(256)	(10)	234	205	421
Creditors	(18)	(354)	29	(329)	(577)
	110	612	216	1,304	(186)
Movement in net liquid assets					
Cash and bank balances	380	(384)	217	(702)	1,078
	490	228	433	602	892

5. Accounts

No audited accounts of the Company have been made up subsequent to 31st December, 1979.

Yours faithfully,
TOUCHE ROSS & CO.
Chartered Accountants

APPENDIX I
PROFIT FORECAST

1. Assumptions

The following are the principal assumptions which have been adopted in preparing the profit forecast of the Company for the year ending 30th June, 1980:—

(a) there will be no significant change in United Kingdom or overseas legislation or other government regulations which will affect the Company;

(b) there will be no material disruption of the Company's business due to industrial disputes, political disturbances or natural disasters involving either the Company or any of its suppliers or customers; and

(c) there will be no change in foreign currency exchange rates which would have a significant effect on the Company's profits.

2. Letters

The following are copies of letters to the Directors of the Company relating to the profit forecast for the year ending 30th June, 1980:—

(a) Letter from the Reporting Accountants dated 10th April, 1980:—

The Directors,
Amstrad Consumer Electronics Limited and
Kleinwort, Benson Limited.

Hill House, 1 Little New Street,
London EC4A 3TR
10th April, 1980

Gentlemen,

We have reviewed the accounting policies and calculations for the profit forecast of Amstrad Consumer Electronics Limited, for which the Directors are solely responsible, for the year ending 30th June, 1980 of not less than £1.3 million, as set out in the Offer for Sale dated 10th April, 1980. The profit forecast is based on audited accounts for the six months ended 31st December, 1979, unaudited management accounts for the two months ended 29th February, 1980 and a profit forecast for the four months ending 30th June, 1980.

In our opinion, the profit forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the grounds of the assumptions set out in Appendix I of the Offer for Sale and is presented on a basis consistent with the accounting policies normally adopted by the Company.

Yours faithfully,
TOUCHE ROSS & CO.
Chartered Accountants

(b) Letter from Kleinwort, Benson Limited dated 10th April, 1980.

The Directors,
Amstrad Consumer Electronics Limited.

20 Fenchurch Street,
London EC3P 3DB
10th April, 1980

Gentlemen,

We have discussed with you and with Touche Ross & Co. the profit forecast of Amstrad Consumer Electronics Limited for the year ending 30th June, 1980, together with the assumptions on which it is based, set out in the Offer for Sale dated 10th April, 1980. We consider that the profit forecast, for which the Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
for KLEINWORT, BENSON LIMITED
T. H. HOLLAND-BOSWORTH
Director

APPENDIX II
STATUTORY AND GENERAL INFORMATION

1. Share Capital

The Company was incorporated in England under the Companies Acts 1948 to 1967 as a private company on 19th November, 1968 with an authorised share capital of £1,000 divided into 1,000 ordinary shares of £1 each, all of which were issued for cash fully paid. On 2nd December, 1971 the authorised share capital was increased to £10,000 and on the same date 4,000 ordinary shares of £1 each were issued for cash fully paid.

On 20th November, 1972 the authorised share capital was increased to £100,000. On 29th November, 1972 10,000 ordinary shares of £1 each were issued for cash fully paid.

On 8th March, 1973 a capitalisation issue of one for one was made to shareholders, increasing the issued share capital to £30,000. On 12th November, 1976 a further capitalisation issue of one for one was made to shareholders increasing the issued share capital to £60,000.

By or pursuant to a resolution passed at an Extraordinary General Meeting of the Company on 9th April, 1980 and conditionally on the admission of the issued shares in the Company to the Official List by the Council of The Stock Exchange on or before 18th April, 1980 (i) the authorised share capital of the Company was increased to £2,500,000 and each ordinary share of £1 was sub-divided into four ordinary shares of 25p each, (ii) a capitalisation issue was made to shareholders of 9,085,000 ordinary shares of 25p each, and (iii) the Company became a public company and new Articles of Association were adopted.

2. Articles of Association

The Articles of Association of the Company contain, *inter alia*, provisions to the following effect:—

Directors

(a) A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

(b) The Directors may repay to any Director all such reasonable expenses as he may incur attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise in or about the business of the Company.

(c) The Directors may from time to time appoint one or more of their body to be the holder of any executive office on such terms and for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. The Managing Director shall not be subject to retirement by rotation.

(d) The Directors will be entitled to remuneration not exceeding in aggregate £20,000 per annum, or such higher amount as may be determined by an Ordinary Resolution of the Company. The Directors will determine the division of such remuneration among themselves. Any Director who holds any executive office or who serves on any committee or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration, as may occasion the said aggregate £20,000 to be exceeded, by way of salary, commission or otherwise as the Directors may determine.

(e) A Director may be a party to or be in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested, and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company) under the Company or any other company in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

(f) Subject to certain exceptions a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(g) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(h) The provisions of section 185 of the Companies Act 1948 (retirement of directors at age 70) apply to the Company.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking and property (both present and future) including uncalled capital. The aggregate amount for the time being owing by the Company and its subsidiaries, if any, (the "Group") in respect of monies borrowed by it (exclusive of monies borrowed by any member of the Group from any other member) may not at any time, without the prior sanction of the Company in general meeting, exceed a sum equal to twice the share capital and consolidated reserves (as described in the Articles) of the Group.

Votes of Members

On a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 25p in nominal amount of ordinary share capital of which he is the holder.

3. Directors' and Other Interests

The interests (all beneficial) of the Directors in the share capital of the Company which will appear in the register maintained under the provisions of the Companies Act 1967 immediately after this Offer for Sale (save in respect of any shares which may be allocated to any one of the Directors under this Offer for Sale) will be as follows:—

	Ordinary shares of 25p each
A. M. Sugar	6,933,750
J. L. Rice	—
R. J. East	—
N. F. Shearman	—

Save as disclosed above, the Directors are not aware of any other shareholdings which will, immediately after the completion of this Offer for Sale, represent five per cent. or more of the issued share capital of the Company.

Under the Offer for Sale agreement described in paragraph 5 below, Mr. A. M. Sugar has undertaken not to apply for any shares now being offered nor to sell any of the shares beneficially held by him until 12 months after the date of this Offer for Sale without the prior consent of Kleinwort, Benson Limited.

4. Service Agreements

Mr. A. M. Sugar has a service agreement with the Company dated 9th April, 1980, terminable by either party giving to the other not less than 6 months notice to expire on or after 30th June, 1985. His annual salary, currently £32,000, may be varied by the agreement of both parties.

Mr. J. L. Rice has a service agreement with the Company dated 9th April, 1980, terminable by either party giving to the other not less than 8 months notice to expire on or after 30th June, 1982. His annual salary, currently £15,000, may be varied by the agreement of both parties.

Save as described above, no Director of the Company has nor is it proposed that any Director should have a service contract with the Company.

The aggregate emoluments paid during the year ended 30th June, 1979 to the Directors who held office in that year amounted to £39,000. The aggregate emoluments payable in the year ending 30th June, 1980 to the Directors holding office in that year are estimated to be £52,656.

5. Offer for Sale Agreement

Under contract (f) below, Kleinwort, Benson Limited has agreed (subject to the Council of The Stock Exchange admitting the issued share capital of the Company to the Official List not later than 18th April, 1980) to purchase from Mr. A. M. Sugar 2,331,250 ordinary shares of 25p each of the Company at 83.3p per share and to offer them for sale to the public. Under this contract Kleinwort, Benson Limited will pay underwriting commissions of $1\frac{1}{2}$ per cent on the Offer for Sale price, and a fee to the Brokers. The Company will pay a fee to Kleinwort, Benson Limited and will pay all other expenses of and incidental to this Offer for Sale, such fee and expenses being estimated to amount to £220,000 excluding value added tax.

6. Contracts

The following contracts which are or may be material have been entered into by the Company other than in the ordinary course of business during the two years preceding the publication of this Offer for Sale:—

(a) dated 5th October, 1978 being two contracts between (i) Fircastle Limited (in liquidation), (ii) Neville Fraser Shearman (appointed by National Westminster Bank Limited as Receiver of Fircastle Limited), (iii) George Auger and Neville Fraser Shearman (as liquidators of Fircastle Limited), and (iv) the Company for the assignment to the Company for £1,000 of the underleasehold interest in the property at 14 Stock Road, Southend-on-Sea, Essex and relating to the acquisition by the Company for £41,800 of equipment situated in those premises;

(b) dated 6th November, 1978 being a non-exclusive world-wide licence agreement between (i) the Company and (ii) Dolby Laboratories Licensing Corporation for an initial fee of US \$5,000 together with a royalty payment on each Dolby circuit produced (the word "Dolby" is a trademark of Dolby Laboratories);

(c) dated 17th December, 1978 being a letter to the Company from Kleinwort, Benson Limited, as amended by letters dated 11th March, 1980 and 24th March, 1980, granting to the Company a revolving multi-currency Documentary Letter of Credit facility for £500,000;

(d) dated 17th December, 1978, being a multi-currency facility from Lloyds Bank Limited to the Company for up to £500,000 in respect of Bills of Exchange and Promissory Notes, supported by an agreement dated 28th November, 1978 between the Company and the Export Credits Guarantee Department;

(e) dated 8th April, 1980, being an agreement by Lloyds Bank Limited to grant the Company facilities of £2,000,000 and a Documentary credit line of £1,000,000 and to release a fixed and floating charge over the Company's assets in return for an undertaking by the Company not to create charges to secure other creditors;

(f) dated 9th April, 1980, between (i) the Company, (ii) Mr. A. M. Sugar, (iii) the Directors and (iv) Kleinwort, Benson Limited, being the contract referred to in paragraph 5 above for the purchase by Kleinwort, Benson Limited from Mr. A. M. Sugar of a total of 2,331,250 ordinary shares of 25p each of the Company; and

(g) dated 9th April, 1980, being the service agreements referred to in paragraph 4 above.

7. Taxation

The Directors have been advised that, following the completion of this Offer for Sale, the Company will be a close company within the meaning of the Income and Corporation Taxes Act 1970.

Clearances under Schedule 18 to the Finance Act 1972 have been obtained for all relevant periods ended 30th June, 1979.

Under the Offer for Sale agreement described in paragraph 5 above, Indemnities have been given by Mr. A. M. Sugar to Kleinwort, Benson Limited and to the Company in respect of any depletion of or reduction in the value of the assets of the Company by reason of capital transfer tax and certain other taxation in respect of transactions, accounts and [illegible] the date of this Offer for Sale.

8. General

(a) The registered number of the Company is 942631. Kleinwort, Benson Limited is registered in England with number 551334 and its registered office is at 20 Fenchurch Street, London EC3P 3DB.

(b) Save as disclosed in this Offer for Sale:—

(i) no capital of the Company has been issued within the two years before the date of this Offer for Sale or is now proposed to be issued, fully or partly paid, for cash or for a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms have been granted by the Company within the said two years in connection with the issue or sale of any capital of the Company; and

(iii) no capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

(c) No loan capital of the Company has been created since its incorporation or is proposed to be created.

(d) No material issue of shares of the Company (other than consequent upon an offer to shareholders pro rata to their existing shareholdings) will be made within one year of the date of this Offer for Sale without prior approval of the Company in general meeting.

(e) Following this Offer for Sale, 675,000 ordinary shares of 25p each of the Company will remain unissued but no issue of such shares which would effectively alter the control of the Company will be made without prior approval of the Company in general meeting.

(f) Save as disclosed in paragraph 8 (a) above, no Director of the Company has, or has had, any interest, direct or indirect, in any assets which have been, within the two years before the date of this Offer for Sale, or are proposed to be, acquired or disposed of by or leased to the Company. No contract or arrangement subsists, or subsisted within the two years before the date of this Offer for Sale, in which a Director of the Company is or was materially interested and which is or was significant in relation to the business of the Company.

(g) The Company is not engaged in any litigation or arbitration which, in the opinion of the Directors, is of material importance, and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

(h) No part of the consideration in respect of the shares to which this Offer for Sale relates will be received by the Company.

(i) The Directors are satisfied that, taking into account the bank facilities available, the Company will have sufficient working capital for its present requirements.

(j) Touche Ross & Co. have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion of their report and letter and the references thereto in the form and context in which they are included. Chamberlain & Willows have given and have not withdrawn their written consent to the inclusion in this Offer for Sale of the references to their valuation in the form and context in which they are included.

(k) The documents attached to the copy of this Offer for Sale delivered to the Registrar of Companies for registration were the written consents referred to in (j) above, copies of the forms of application, copies of the contracts referred to in paragraph 6 above and the statement of Touche Ross & Co. setting out the adjustments made in arriving at the figures contained in their report (as set out herein) and giving the reasons therefor.

(l) The Company has no subsidiaries.

9. Documents Available for Inspection

The following documents (being copies in the case of all documents other than the Offer for Sale Agreement described in paragraph 5 above) may be inspected at the offices of Herbert Smith & Co., Watling House, 35/37 Cannon Street, London EC4M 5SD during usual business hours on any weekday (Saturdays and public holidays excepted) until 2nd May, 1980:—

(a) the Memorandum and Articles of Association of the Company;

(b) the audited accounts of the Company for the two years ended 30th June, 1978 and 30th June, 1979 and for the six months ended 31st December, 1979;

(c) the Accountants' Report set out above, together with the statement setting out the adjustments made in arriving at the figures contained in the Report;

(d) the contracts referred to in paragraph 6 above;

(e) the written consents referred to in paragraph 8(j) above; and

(f) the valuation of property carried out by Chamberlain & Willows referred to in this Offer for Sale.

Dated 10th April, 1980

PROCEDURE FOR APPLICATION

Kleinwort, Benson Limited, New Issue Department, (Ref. Amstrad) 10 Rood Lane, London EC3M 8BB will receive applications which must be for a minimum of 200 ordinary shares or for the following multiples of shares:—

Applications for not more than 1,000 shares: in multiples of 200 shares;
Applications for over 1,000 shares and not more than 3,000 shares: in multiples of 500 shares;
Applications for over 3,000 shares and not more than 10,000 shares: in multiples of 1,000 shares;
Applications for over 10,000 shares and not more than 50,000 shares: in multiples of 5,000 shares; and
Applications for over 50,000 shares: in multiples of 10,000 shares.

Application must be made on the accompanying Application Form and forwarded to Kleinwort, Benson Limited, New Issue Department, (Ref. Amstrad), 10 Rood Lane, London EC3M 8BB together with a sterling cheque or bankers draft for the full amount payable on application so as to be received not later than 10.00 a.m. on Thursday, 17th April, 1980. Photostat copies of Application Forms will not be accepted.

Each application must be accompanied by a separate sterling cheque, or bankers draft, which must be drawn on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and bankers drafts to be cleared through the facilities provided for the members of those Clearing Houses and must bear the appropriate sorting code number in the top right hand corner. Cheques and bankers drafts must be made payable to "Kleinwort, Benson Limited" and be crossed "Not Negotiable". The right is reserved to present all cheques and bankers drafts for payment on receipt and to reject any application in whole or in part, in particular multiple or suspected multiple applications, and to retain Letters of Acceptance and surplus application monies pending clearance of the cheques and bankers drafts of successful applicants. Due completion and delivery of an Application Form accompanied by a cheque or bankers draft will constitute an undertaking that such cheque or bankers draft will be honoured on first presentation; attention is drawn to the declaration in the Application Form to that effect.

Preferential consideration will be given to applications received from employees of the Company for a maximum of 10 per cent. of the ordinary shares now being offered for sale. Such applications must be for multiples of 100 shares, with a minimum of 100 shares, and be made on the pink Application Forms made available to employees.

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the whole of the issued share capital of the Company to the Official List not later than 18th April, 1980. Monies collected in respect of applications will be returned if such condition is not satisfied by that date and in the meantime will be retained by Kleinwort, Benson Limited in a separate bank account. If any applications are not accepted or are accepted for fewer shares than the number applied for, the application monies or, as the case may be, the balance thereof will be returned through the post at the risk of the applicants.

Arrangements have been made for the shares now offered for sale to be registered by the Company free of stamp duty in the names of the successful applicants or the persons in whose favour Letters of Acceptance have been renounced, provided that, in cases of renunciation, Letters of Acceptance (duly completed in accordance with the instructions contained therein) are lodged at the offices of Kleinwort, Benson Limited, New Issue Department, 20 Fenchurch Street, London EC3P 3DB for registration not later than 3 p.m. on 16th May, 1980. Share certificates will be posted on 13th June, 1980 to the first-named registered holders or, in any case where the box marked O at the foot of page 2 of the Letter of Acceptance has been duly completed and the Letter of Acceptance duly lodged not later than 6th June, 1980 in accordance with the instructions contained therein, to the agent specified in the box.

Copies of this Offer for Sale with Application Forms may be obtained from:—

Kleinwort, Benson Limited,
10 Rood Lane,
London EC3M 8BB

Kleinwort, Benson Limited,
Tricorn House,
Hagley Road, Five Ways,
Birmingham B16 8TP

Kleinwort, Benson Limited,
78/80 George Street,
Edinburgh EH2 3BU

W. Greenwell & Co.,
Bow Bells House,
Bread Street,
London EC4M 9EL

and at the registered office of the Company, 1-7 Garman Road, Tottenham, London N17 0UF

APPLICATION FORM

THE APPLICATION LIST FOR THE ORDINARY SHARES NOW OFFERED FOR SALE WILL OPEN AT 10 a.m. ON THURSDAY, 17th APRIL, 1980 AND MAY BE CLOSED AT ANY TIME THEREAFTER.

This Application Form when completed must be forwarded to Kleinwort, Benson Limited, New Issue Department (Ref. Amstrad), 10 Rood Lane, London EC3M 8BB, together with a cheque/bankers draft for the full amount payable, so as to be received not later than 10 a.m. on Thursday, 17th April, 1980. Photostat copies of Application Forms will not be accepted.

A separate cheque or bankers draft must accompany each Application Form.

Cheques and bankers drafts, which must be drawn in sterling on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man, of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques and bankers drafts to be cleared through the facilities provided for the members of those Clearing Houses and must bear the appropriate sorting code number in the top right hand corner, must be made payable to "Kleinwort, Benson Limited" and crossed "Not Negotiable" and must represent payment in full at the application price. No application will be considered unless these conditions are fulfilled. All cheques/bankers drafts are liable to be presented for payment on receipt.

Amstrad
Consumer Electronics Limited

(Incorporated under the Companies Acts 1948 to 1967)

Offer for Sale
by
Kleinwort, Benson Limited
of 2,331,250 ordinary shares of 25p each at 85p per share payable in full on application

Examples of amounts payable on application

Shares	£	Shares	£	Shares	£
200	170	1,500	1,275	5,000	4,250
400	340	2,000	1,700	10,000	8,500
600	510	2,500	2,125	15,000	12,750
800	680	3,000	2,550	20,000	17,000
1,000	850	4,000	3,400	50,000	42,500

★ Number of shares applied for	★★ Amount enclosed at 85p per share
	£

★ Applications must be for a minimum of 200 shares or for the following multiples of shares: multiples of 200 shares not exceeding 1,000 shares, thereafter in multiples of 500 shares not exceeding 3,000 shares, thereafter in multiples of 1,000 shares not exceeding 10,000 shares, thereafter in multiples of 5,000 shares not exceeding 50,000 shares and thereafter in multiples of 10,000 shares.

To: KLEINWORT, BENSON LIMITED.

I/We enclose a cheque/bankers draft for the above-mentioned sum ★★, being the full amount payable on application at 85p per share for the above-stated number ★ of ordinary shares of 25p each in Amstrad Consumer Electronics Limited (the "Company"), and I/we apply to purchase that number of shares. I/We hereby undertake and agree to accept the same, or any lesser number of shares in respect of which this Application may be accepted, upon the terms of your Offer for Sale dated 10th April, 1980 and subject to the Memorandum and Articles of Association of the Company. I/We hereby authorise you to send a renounceable Letter of Acceptance in respect of the said shares and/or a cheque for any monies returnable to me/us by ordinary first class post at my/our risk to the address first given below and to procure my/our name(s) to be placed on the Register of Members of the Company as holder(s) of the said shares so far as they have not been effectively renounced.

I/We declare that due completion and delivery of this Application Form, accompanied by a cheque/bankers draft, constitutes an undertaking that such cheque/bankers draft will be honoured on first presentation.

1. Signature ________________ Dated ________ April, 1980

Forename(s) (in full) ________________
Surname (Mr., Mrs., Miss or Title) ________________
Address (in full) ________________
________________ Post Code ________

Please use BLOCK CAPITALS OR TYPE FOR NAMES AND ADDRESSES

ALL JOINT APPLICANTS MUST SIGN AND GIVE NAMES AND ADDRESSES BELOW. In the case of a corporation this form should be signed by a duly authorised officer who should state his representative capacity.

Please pin top left corner of cheque here.

Please use BLOCK CAPITALS OR TYPE

2. Signature ________________
Forename(s) (in full) ________________ Surname (Mr., Mrs., Miss or Title) ________________
Address ________________
________________ Post Code ________

3. Signature ________________
Forename(s) (in full) ________________ Surname (Mr., Mrs., Miss or Title) ________________
Address ________________
________________ Post Code ________

4. Signature ________________
Forename(s) (in full) ________________ Surname (Mr., Mrs., Miss or Title) ________________
Address ________________
________________ Post Code ________

NO RECEIPT WILL BE ISSUED FOR THE PAYMENT ON APPLICATION, but an acknowledgement will be forwarded through the post in due course, at the risk of the applicant(s) either by a fully paid Letter of Acceptance for all the shares applied for, or by a fully paid Letter of Acceptance for the shares applied for and accepted and a cheque for any surplus application monies, or by the return through the post of the application monies.

Seagram accepts offer from Sun

BY IAN HARGREAVES IN NEW YORK

SEAGRAM of Canada, the world's largest distiller, has accepted a $2.3bn offer from the Sun Company of Pennsylvania for Seagram's U.S. oil and gas interests.

The two companies signed a letter of intent late on Friday evening, quelling speculation that Seagram was seriously examining rival bids from other U.S. oil companies.

Sun's offer price, which is $900m more than the entire value of Seagram's shares on the New York Stock Exchange before the offer was announced a week ago, was evidently too high for others to exceed.

The acquisition of Seagram's Texas Pacific Oil and Gas subsidiary will almost double the 4m acres of unexplored energy territory owned by Sun, the tenth largest U.S. oil company.

Under the terms of the deal, Seagram will have a right to regain a 49 per cent stake in these lands, as well as a 25 per cent holding in Texas Pacific's energy production activities, once Sun has received certain undisclosed financial returns from its new subsidiary. Texas Pacific's properties are concentrated in the Wyoming overthrust belt and the Gulf of Mexico area.

Energy accounted for 22 per cent of Seagram's $278m operating income last year. The bulk of this was attributable to Texas Pacific.

Seagram has hinted that it is ready to make one or more major acquisitions itself in the consumer packaging field or some other consumer related sector.

Dividend reduced at Bos Kalis

BY CHARLES BATCHELOR IN AMSTERDAM

PROFITS OF the Dutch dredging and construction group, Bos Kalis Westminster, were sharply reduced in 1979 by the losses of the Netherlands Offshore Company (NOC). Bos Kalis proposes therefore a cut in its dividend, though the board said it expects profits to recover in 1980.

Ne profit fell to Fl 13.7m ($7m) from Fl 50.5m after taking into account write-offs on NOC, in which Bos Kalis had a 40 per cent stake. Its share in these losses amounted to Fl 67.5m of which Fl 38.2m were incurred in the liquidation of the company.

NOC, the assets of which were last year transferred to a subsidiary of J. Ray McDermott of the U.S., provided pipe-laying, platform siting, and other services to the offshore oil industry. The other partners were the Dutch construction companies, Volker-Stevin, with 40 per cent and Hollandsche Beton Groep with 20 per cent.

After tax profit at Bos Kalis fell to Fl5.17 per Fl10 nominal share from Fl23.75. It proposes paying a dividend of Fl3.50 in cash and 7.5 per cent in shares from the tax-free premium reserve. This compares with a cash payment of Fl8.50 last year and 2.5 per cent in shares.

Turnover in terms of completed contracts rose seven per cent last year to Fl1.73bn ($838m). Uncompleted contracts on the company's order book amounted to Fl3.35bn at the end of December, an increase of 24 per cent over the year.

Work still to be carried out on these contracts was Fl2.72bn, a rise of 44 per cent. This included a contract worth Fl1bn, which is Bos Kalis's share in an order to build a gas pipeline system in Argentina, but did not include Fl1.1bn worth of work in helping to operate the system for a 15 year period.

Bos Kalis is a member of a four-company international consortium, the European Channel Tunnel Group, which recently submitted proposals to the authorities in Britain, France and Brussels, for an underwater link between the two countries.

The cheapest proposal is for a single track rail tunnel costing $540m ($1,182.6m) but four more ambitious projects are also proposed, costing up to £3.25bn.

Amex in bonds withdrawal

By Nicholas Colchester

AMEX BANK, the investment banking arm of American Express, has decided to withdraw from market making in international bonds, it is understood.

For the past year, Amex has been a market maker in about 100 floating rate notes. As a result of this policy change, Mr. Peter Noakes and Mr. John Langton, who led the trading operation, are to leave the bank.

UOL fixes loan stock rate

SINGAPORE — United Overseas Land (UOL) said that the interest rate on its issue of S$90m of 1980-87 unsecured loan stock has been fixed at 9 per cent.

United Overseas Bank Group, United International Securities and Orient Leasing will apply for S$41.5m nominal, or 46 per cent, of the issue, while the balance of S$48.5m has been underwritten by Jardine Fleming (Singapore) Pte., United Chase Merchant Bankers and Wardley, UOL said. Reuter

Nugan Bank stops payments

BY PHILIP BOWRING IN HONG KONG

NUGAN HAND BANK, based in the Cayman Islands, has suspended repayment of deposits, according to a statement from Hong Kong's Commissioner of Banking, Mr. Colin Hartin.

Mr. Hartin said he had been informed that a number of depositors with the bank, which has a representative office in Hong Kong, had not been able to recover maturing deposits.

Nugan Hand Bank is part of the Nugan Hand group of companies based in Australia.

The Commissioner said the bank is not subject to Prudential supervision in Hong Kong, because it is incorporated and licensed in the Cayman Islands, and added that the Government of the British Possession in the Caribbean is responsible for the bank's supervision.

Reuter adds: Anchor Promotions of Hong Kong has filed a writ against companies in the Nugan Hand Group asking the court to appoint a Receiver on its behalf to hold, invest and otherwise manage sums of money it claims it deposited with the group, the Hong Kong Credit Bureau said.

The writ has been served on Nugan Hand Bank, Nugan Hand Ltd. of Sydney and three local companies, Scotman Services, Dong Xaoi and Sun Lang Investments, which Anchor claims are all part of the Nugan Hand group.

Pope & Talbot in $32m purchase

PORTLAND—Pope & Talbot, wood products manufacturers, has bought for about $32m in cash, the stock of the absorbent paper products business of Brown, the pulp and packaging producer, in which James River Corporation has an 80 per cent stake.

The operations consist of two mills, one in Eauclaire, and one in Ladysmith, both in Wisconsin.

The mills, which make private-label tissue products, had gross sales in 1979 of about $65m. AP-DJ

PENDING DIVIDENDS

	Date	Announcement last year
Allied Irish Banks	May 16	Final 7.143
Amal. Metal	Apr. 23	Final 10.9
Amal. Power	Apr. 26	Final 2.948
*BSG	Apr. 23	Final 1.464
Bank of Ireland	May 17	Final 11.0
*Bank of Scotland	Apr. 16	Final 6.083
*Barrow Hepburn	Apr. 16	Final 1.0
Blue Circle	Apr. 18	Final 7.212
British Home Stores	Apr. 30	Final 3.9
*British Sugar	May 8	Int. 1.515
Brixton Est.	May 5	Final 0.93
*Brown Boveri Kent	Apr. 22	Final 1.2
Brown (Matthew)	May 17	Int. 1.25
*Bunzl	Apr. 29	Final 2.285
Cater Ryder	May 14	Final 14.719
Central and Sheerwood	May 1	Final 0.704
Coats Patons	May 15	Final 2.342
*Coral Leisure	Apr. 17	Final 3.7
Costain	May 8	Int. due
*Currys	Apr 14	Final 4.0692
Debenhams	May 18	Final 4.324
*Dunlop	Apr. 24	Final 2.65
Dupont	May 16	Final 2.983
Dutton-Forshaw	May 17	Final 1.88
European Ferries	May 8	Final 1.88
Farnell Elecs.	Apr. 24	Final 4.79
Fosaco Minsep	Apr. 24	Final 3.0
French Kier	May 14	Final 1.1
Garrard and Nat. Dis.	Apr. 25	Final 5.124
*Glaxo	Apr. 14	Int. 5
Hall (Matthew)	May 2	Final 6.616
Hammerson Prop.	Apr. 27	Final 5.097
*Hawker Siddeley	Apr. 16	Final 2.4578
Heath (C. E.)	May 15	Final 3.8
Hoveringham	Apr. 26	Final 1.635
Kwik Save	May 4	Int. 1.1
Laing (J.)	Apr. 30	Final 1.5
*Laird Group	May 3	Final 1.52
*Laporte	Apr. 23	Final 4.532
Lloyds and Scottish	May 10	Int. 1.87
London and Northern	May 9	Final 2.1
Mallinson-Denny	May 9	Final 1.868
Marks and Spencer	May 8	Final 1.459
*Menzies (J.)	Apr. 23	Final 2.12
Mothercare	May 8	Final 2.168
Mowlem (J.)	Apr. 26	Final 5.608
National and Comm. Bk.	May 4	Int. 1.375
Newarthill	Apr. 26	Final 5.324
Newman Inds.	May 10	Final 4.6
*News Intnl.	Apr. 15	Final 5.48
*Northern Eng. Inds.	Apr. 17	Final 5.0
Pearson Longman	Apr. 18	Final 3.884
*Pearson (S.)	Apr. 22	Final 4.8956
P & O	May 2	Final 8.542
Philips' Lamps	May 8	Final due
*Portals	Apr. 15	Final 4.846
RHM	May 16	Int. 1.452
*RMC	Apr. 15	Final 3.91
*Rnsms. Hoffmn. Pollard	May 19	Int. 1.44
Readicut	May 14	Final 1.244
*Revertex	Apr. 15	Final 2.27
*Rio Tinto-Zinc	Apr. 16	Final 8.0
*Rowntree Mackintosh	Apr. 15	Final 8.5
*Rugby Prtnd. Cement	Apr. 15	Final 2.093
Sainsbury (J.)	May 0	Final 4.85
Sears	May 8	Final 0.94
*Senior Engineering	Apr. 15	Final 0.8518
Serck	May 11	Int. 2.2
Simon Eng.	Apr. 25	Final 6.065
*Smith (W. H.)	Apr. 16	Final 2.34
*Smiths Inds.	Apr. 15	Int. 3.6138
*Standard Chartered	Apr. 15	Final 7.706
*Tarmac	Apr. 29	Final 6.234
*Telephone Rentals	Apr. 30	Final 4.802
*Tozer Kemsley	Apr. 22	Final 2.535
Trafalgar Hse.	May 15	Int. 2.11
UDS	May 14	Final 3.345
Vaux Breweries	May 11	Int. 1.842
*Vickers	Apr. 24	Final 5.964
Whitbread Inv.	May 17	Final 2.903

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
50	50p	—	140	83	Berkley Exploration	115	......	—	—	—	—
**	F.P.	7/5	86	70	Lon.Merc'tSecs.Defd	76	......	—	—	—	—
§90	F.P.	—	101	94	Morley (R.H.) 10p	100	......	b4.75	1.5	6.8	16.0
—	F.P.	—	34	28	Rocho Plant 10p	58	......	1.26	2.7	6.4	6.5
§10	F.P.	6/6	10¾	10¼	Trst.of Prop.Shrs.5p	10¼	−¼	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
100p	F.P.	—	101	98	Edwards (L.C.) 8% Conv. Red. Cum. Pref	100	......
—	—	5/9	112	104	Globe Inv Tst 11½% Conv Uns Ln '90-95	104	......
¶¶	F.P.	50/5	98½	95½	Imp. Cont. Gas 8% Conv. Loan. 1995-2000	97	......
¶	F.P.	9/6	102¼	100¼	Leigh Interests 10pc Conv. Uns Ln. 1984-85	100	......
¶	F.P.	20/5	95½	95½	Mid Kent Water 9% Red Pref. 1985	95½	......
10¼	£10	—	10½	10¼	Mid Southern 10% Red Prf. 1986	10	......
¶	F.P.	24/4	97	94½	Rk'm'nw'h & Uxbridge Wtr. 9% RdPf 1985	94½	......
¶	F.P.	30/5	99½	98½	Sutton District Water 10pc Red Pref. 1983	99½	......

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing Price p	+ or −
185	F.P.	21/3	5/5	187	169	ACS Research	185	......
223	Nil	—	—	80pm	60pm	Aran Energy	74pm	+14
30	Nil	—	—	94pm	90pm	Brent Chemicals	90pm	......
330	F.P.	—	—	321	310	Cluff Oil	310	......
R15	Nil	—	—	100pm	73pm	General Mining	100pm	......
60	F.P.	3/1	24/1	845	660	Hammerson Prop. A	815	+35
48	Nil	25/4	23/5	17pm	10pm	Howard Tenens	10pm	......
60cts	Nil	—	—	435pm	190pm	Pancontinental	365pm	−10
68	F.P.	—	13/6	72	68	United Biscuits	70	−2
110	Nil	23/4	13/6	12pm	13pm	Wotmoughs	13pm	......

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

BASE LENDING RATES

A.B.N. Bank	17 %
Allied Irish Bank	17 %
Amro Bank	17 %
American Express Bk.	17 %
Henry Ansbacher	17 %
A P Bank Ltd.	17 %
■ Arbuthnot Latham	17 %
Associates Cap. Corp.	17 %
Banco de Bilbao	17 %
Bank of Credit & Cmce.	17 %
Bank of Cyprus	17 %
Bank of N.S.W.	17 %
Banque Belge Ltd.	17 %
Banque du Rhone et de la Tamise S.A.	17½%
Barclays Bank	17 %
Bremar Holdings Ltd.	18 %
Brit. Bank of Mid. East	17 %
■ Brown Shipley	17 %
Canada Perm't Trust	18 %
Cayzer Ltd.	17 %
Cedar Holdings	17 %
■ Charterhouse Japhet	17 %
Choulartons	17 %
C. E. Coates	17 %
Consolidated Credits	17 %
Co-operative Bank	*17 %
Corinthian Secs.	17 %
The Cyprus Popular Bk.	17 %
Duncan Lawrie	17 %
Eagil Trust	17 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	19½%
First Nat. Secs. Ltd.	19 %
Robert Fraser	18 %
■ Antony Gibbs	17 %
Greyhound Guaranty	17 %
Grindlays Bank	‡17 %
■ Guinness Mahon	17 %
■ Hambros Bank	17 %
■ Hill Samuel	§17 %
C. Hoare & Co.	†17 %
Hongkong & Shanghai	17 %
Industrial Bk. of Scot.	17½%
Keyser Ullmann	17 %
Knowsley & Co. Ltd.	19 %
Lloyds Trust Ltd.	17 %
Lloyds Bank	17 %
Edward Manson & Co.	18 %
Midland Bank	17 %
■ Samuel Montagu	17 %
■ Morgan Grenfell	17 %
National Westminster	17 %
Norwich General Trust	17 %
P. S. Refson & Co.	17 %
Rossminster	17 %
Ryl. Bk. Canada (Ldn.)	17 %
Schlesinger Limited	17 %
E. S. Schwab	17 %
Security Trust Co. Ltd.	18 %
Standard Chartered	17 %
Trade Dev. Bank	17 %
Trustee Savings Bank	17 %
Twentieth Century Bk.	17 %
United Bank of Kuwait	17 %
Whiteaway Laidlaw	17½%
Williams & Glyn's	17 %
Wintrust Secs Ltd.	17 %
Yorkshire Bank	17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 16%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

CORAL INDEX: Close 433-438 (+3)

Public Works Loan Board rates

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* A‡	Non-quota loans A* repaid at maturity§
	Effective from March 22					
Up to 5	15½	15½	15⅝	16½	16⅝	16
Over 5, up to 10	15⅝	15⅞	15½	15⅞	15⅞	15⅞
Over 10, up to 15	15½	15½	15	15⅞	15⅞	15½
Over 15, up to 25	15	14⅞	14½	15½	15⅝	15⅞
Over 25	14⅞	14⅞	14⅞	15⅞	15⅞	15⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	15⅝	½-year	1,000	1
Redbridge (01-478 3020)	14⅞	½-year	200	2-3
Redbridge (01-478 3020)	14½	½-year	200	5-6

CURRENCIES, MONEY and GOLD

D-mark in calmer waters

BY COLIN MILLHAM

THE D-MARK had an eventful week in the foreign exchange market. On Tuesday it was joint bottom of the European Monetary System with the Belgian franc, and was close to a two-year low against the dollar in the morning. But from then the dollar's sudden reversal led to a dramatic change of fortune for the German currency.

Interest rates, and political events in the Middle East, continued to dominate market sentiment, with President Carter's moves against Iran, and the border incidents between Iraq and Iran, renewing fears of further instability in the area.

This may have encouraged some dollar selling by oil producing states, since it also coincided with a sharp rise in the price of gold, which jumped $62 on Tuesday. The exact effect of the tension over Iran was hard to gauge, however, because U.S. interest rates started to fall at the same time, and this was a major depressing influence on the dollar.

Before the Easter holiday one-month Eurodollars were above 20 per cent but by last Wednesday had fallen to 17⅞ per cent, while over the same period the dollar's performance, on the Bank of England index formula, fell to 89.8 from 91.8.

In terms of the D-mark the dollar sank to DM 1.8750 at one time on Wednesday, a full 10 pfennigs below Tuesday's peak.

This put new life in the D-mark, which improved sharply against its EMS partners, rising above the Belgian franc, and was at one time stronger than the volatile Italian lira.

On Wednesday maters were somewhat confused by the decision of the German Bundesbank to hold an unscheduled central council meeting on the following day. Although the meeting followed the normal fortnightly pattern, it was not expected to be held until this week, and therefore caused speculation about possible moves to help bank liquidity, and an increase in interest rates to reduce the differential between Frankfurt and New York.

To further cloud the issue the D-mark was by then rising quickly against the dollar and moving out of the more depressed area of the EMS, without any apparent help from the German authorities. In the event the central council meeting passed without any change in Bundesbank credit policy, and the D-mark continued to move into rather calmer waters as the week ended.

GOLD

	April 11		April 10	
	Gold Bullion (fine ounce)			
Close	$525-530	(£238½-241)	$525-530	(£240-242½)
Opening	$535-540	(£243½-246)	$540-545	(£247-248½)
Morning fixing	$535	(£242.446)	$539.50	(£245.674)
Afternoon fixing	$530.50	(£241.580)	$526	(£240.931)
	Gold Coins			
Krugerrand	$545-550	(£248-251)	$545-550	(£240-252)
Mapleleaf	$540-550	(£246-251)	$545-550	(£249-252)
New Sovereigns	$136-138	(£61½-63½)	$153½-136½	(£60½-62½)
King Sovs.	$160-164	(£72½-74½)	$160-164	(£73-75)
Victoria Sovs.	$160-164	(£72½-74½)	$160-164	(£73-76)
French 20s	$136-140		$134½-137½	
50 pesos Mexico	$663-668		$647-652	
100 Cor. Austria	$525-530		$525-530	
$20 Eagles	$655-658		$655-660	
$10 Eagles	—		—	
$5 Eagles	—		—	

OTHER CURRENCIES

April 11	£	$		£ Note Rates
Argentina Peso	3560-3870	1756-1762	Austria	29.25-28.55
Australia Dollar	2.0105-2.0145	0.9165-0.9170	Belgium	68.10-68.70
Brazil Cruzeiro	106.35-106.38	48.14-48.34	Denmark	12.76-12.83
Finland Markka	8.38-8.40	3.8200-3.8230	France	9.49-9.66
Greek Drachma	90.611-92.746	41.10-41.50	Germany	4.10-4.13
Hong Kong Dollar	10.97½-11.00	5.0050-5.0080	Italy	1890-1960
Iran Rial	n/a	n/a	Japan	551-556
Kuwait Dinar (KD)	0.685-0.608	0.2753-0.2754	Netherlands	4.49-4.53
Luxembourg Frc.	66.35-66.45	30.26-30.27	Norway	11.09-11.16
Malaysia Dollar	4.9900-5.0100	2.2760-2.2790	Portugal	106½-111
New Zealand Dlr.	2.3210-2.3260	1.0575-1.0586	Spain	152¼-159½
Saudi Arab. Riyal	7.25-7.36	3.3255-3.3366	Sweden	9.55-9.61
Singapore Dollar	4.6220-4.6350	2.2440-2.2470	Switzerland	3.82-3.85
Sth. African Rand	1.7740-1.7750	0.8080-0.8085	United States	2.1575-2.1665
U.A.E. Dirham	8.14-8.24	3.7350-3.7390	Yugoslavia	49¾-52

Rate given for Argentina is free rate.

THE DOLLAR SPOT AND FORWARD

April 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1880-2.2000	2.1945-2.1965	0.22-0.32c dis	−1.47	0.68-0.78dis	−1.33
Ireland†	1.9830-1.9900	1.9830-1.9860	0.20-0.10c pm	0.91	0.25-0.15 pm	0.40
Canada	1.1772-1.1793	1.1775-1.1778	0.26-0.23c pm	2.50	0.70-0.65 pm	2.29
Nethlnd.	2.0500-2.0630	2.0575-2.0625	1.61-1.54c pm	9.17	3.86-3.79 pm	7.43
Belgium	30.15-30.29	30.25-30.27	6-4½c pm	2.08	15-12 pm	1.78
Denmark	5.8300-5.8600	5.8300-5.8400	0.30-0.80ore dis	−1.13	2.25-2.75dis	−1.71
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

April 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1880-2.2000	2.1945-2.1965	0.22-0.32c dis	−1.47	0.68-0.78dis	−1.33
Canada	2.5805-2.5910	2.5870-2.5890	0.30-0.20c pm	1.16	0.70-0.60 pm	1.00
Nethlnd.	4.47-4.53	4.51-4.52	3¼-2¼c pm	7.31	7½-6⅞ pm	6.09
Belgium	65.80-66.50	66.35-66.45	7c pm-3 dis	0.36	10 pm-par	0.30
Denmark	12.74-12.84	12.81½-12.83½	2½-3¼ore dis	−2.86	8¼-10 dis	−2.86
Ireland	1.1010-1.1075	1.1055-1.1065	0.12-0.06p pm	0.98	0.35-0.26 pm	1.12
W. Ger.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc [illegible]. Six-month forward dollar [illegible] dis. 12-month [illegible] dis.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month [illegible] per cent; three-months [illegible] per cent; six months [illegible] per cent; one year [illegible] per cent.

April 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lire	Asian $	Japanese Yen
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long-term Eurodollar two years [illegible] per cent; three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

LONDON MONEY RATES

April 11 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authorities and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent; four-month trade bills [illegible] per cent.

Approximate selling rates for one-month Treasury bills [illegible] per cent; two-month [illegible] per cent; three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two-months [illegible] per cent; three-months [illegible] per cent; one-month trade bills [illegible] per cent; two-months [illegible] per cent; three-months [illegible] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1803 per cent.

CURRENCY RATES

April 11	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.578011	0.610758
U.S. $	13	1.28785	1.33754
Canadian $	14	1.49328	1.57593
Austria Sch.	6¾	16.5741	17.9538
Belgian F.	14	38.0573	40.6218
Danish K	13	7.42315	7.82680
D'Mark	7	2.37972	2.51688
Guilder	9½	2.61252	2.75827
French Fr.	9½	5.51206	5.83760
Lira	15	1109.20	1172.88
Yen	9	318.783	327.345
Norwgn. Kr.	9	6.46837	6.89036
Spanish Pts.	8	90.8647	95.9544
Swedish Kr.	10	5.52786	5.86091
Swiss Fr.	3	2.21776	2.34570

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
[illegible]

Lloyds Bank International, Geneva
[illegible]

M & G Group
[illegible]

Midland Bank Tst. Corp. (Jersey) Ltd.
[illegible]

Samuel Montagu Ldn. Agents
[illegible]

Murray, Johnstone (Inv. Adviser)
[illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd.
[illegible]

Negit S.A.
[illegible]

Negit Ltd.
[illegible]

Pacific Basin Fund
[illegible]

Phoenix International
[illegible]

Providence Capitol Life Ass. (C.I.)
[illegible]

Quest Fund Mngmnt. (Jersey) Ltd.
[illegible]

Richmond Life Ass. Ltd.
[illegible]

Rothschild Asset Management (C.I.)
[illegible]

Rothschild Asset Mgt. (Bermuda)
[illegible]

Royal Trust (C.I.) Fd. Mgt. Ltd.
[illegible]

Save & Prosper International
[illegible]

Schlesinger International Mngt. Ltd.
[illegible]

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
[illegible]

J. Henry Schroder Wagg & Co. Ltd.
[illegible]

Sentry Assurance International Ltd.
[illegible]

Singer & Friedlander Ldn. Agents
[illegible]

Standard Chartered Intl. Bd. Fd.
[illegible]

Stronghold Management Limited
[illegible]

Surinvest (Jersey) Ltd.
[illegible]

Surinvest Trust Managers Ltd.
[illegible]

TSB Unit Trust Managers (C.I.) Ltd.
[illegible]

TSB Gilt Fund Managers (C.I.) Ltd.
[illegible]

Tokyo Pacific Holdings N.V.
[illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V.
[illegible]

Tyndall Group
[illegible]

Unilife Assurance (Overseas) Ltd.
[illegible]

Union-Investment-Gesellschaft mbH
[illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd.
[illegible]

S. G. Warburg & Co. Ltd.
[illegible]

Wardley Investment Services Ltd.
[illegible]

World Wide Growth Management
[illegible]

Wren Commodity Trust
[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	47.3	50.9	+0.4	1.96
Abbey Capital	35.3	38.1	+0.2	4.05
Abbey General	45.8	48.9	+0.2	6.06
Abbey Gilt & F.I. Tst.	100.9	107.3	+0.4	4.66
Abbey Income	40.4	43.7	+0.1	8.98
Abbey Intl. Bd. Tst.	79.4	98.8	+0.2	5.57
Abbey Inv. Tst. Fd.	35.6	38.5	-0.1	6.46
Equitas Prog. Trust	67.9	73.4	+0.1	6.10

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.0	93.7	.....	13.41

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	73.2	78.3	+0.2	6.15
Brit. Inds. Fund	67.2	71.9	-0.1	6.26
Growth & Income	40.5	43.3	-0.1	5.82
Elect. & Ind. Dev.	36.1	38.6	-0.1	5.44
Allied Capital	73.2	78.3	.....	5.94
Hambro Fund	113.1	122.1	.....	6.61
Hambro Acc. Fund	140.1	149.9	-0.1	6.00
Income Funds				
High Yield Fd.	64.8	69.3	.....	10.97
High Income	67.2	71.8	+0.1	8.39
A. H. Eq. Inc.	39.7	42.5	.....	8.45
International Funds				
International	26.9	28.8	+0.1	3.76
Pacific Fund	43.2	46.2	+0.1	2.65
Secs. Of America	56.4	60.3	+0.4	2.32
Specialist Funds				
Smaller Co.'s Fd.	47.1	50.4	.....	4.96
2nd Smlr. Co's Fd.	54.8	58.6	+0.1	5.00
Recovery Sits.	110.9	118.7	-0.1	7.09
Met. Min. & Cdty.	56.4	60.3	-0.5	4.87
Overseas Earnings	57.2	61.2	-0.1	5.56
Exempt Funds				

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. Mar. 21	203.9	217.5	.....	5.65

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	SF3.92	4.00	.....	7.18
Gt. Winchester O'seas	20.3	22.0	.....	5.43

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	77.5	83.4	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	70.9	74.6	+0.1	5.64

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	23.1	24.4	+0.3	1.00
Fixed Interest	25.4	26.8	+0.1	13.00
Growth + Income	28.9	30.5	.....	8.00
Special Sits.	27.3	28.8	.....	3.40

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.9	27.3	.....	2.51
Accum. Units	31.4	33.6	.....	2.51
J. Finlay High Income	31.2	33.5	.....	10.59
J. Finlay Euro. Fin.	19.4	20.9	.....	4.00
Accum. Units	24.2	26.1	.....	4.00
J. Finlay Fd. In. Tst.	30.0	32.3	.....	5.85
Accum. Units	36.2	38.9	.....	5.85

Prices on April 9. Next dealing April 16.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American Apr. 8	48.4	51.4	.....	1.40
Am. T'around Apr. 8	46.8	49.6	.....	2.00
Capital Tst.	50.2	53.4	.....	5.08
(Accum. Units)	51.0	54.2	.....	5.08
Extra Income Trust	47.0	50.0	.....	10.50
Income Tst.	35.8	38.0	.....	0.75
Int. Growth Fd.	41.4	44.0	+0.6	2.29
(Accum. Units)	44.0	46.8	+0.6	2.29

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	47.5	50.8	.....	5.31
Do. Accum.	65.5	70.0	.....	5.31

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Mar. 27	109.5	112.9	.....	5.52
Gross Inc. Mar. 27	73.1	75.3	.....	11.69
High Yield Mar. 27	81.0	83.9	.....	11.28

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
"Shorts" (Lives up to Five Years)					
14M 14May	Treasury 9½pc '80‡‡	99½xd	8.10	9.55	16.01
15D 15Jun	Treasury 3½pc '77-80	97⅝	8.11	3.58	16.39
15D 15Jun	Funding 5¼pc '78-80‡‡	98¼	8.11	5.35	16.29
[illegible]					

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

Interest Due	Stock	Price £	Last xd	Yield Int.	Yield Red.
0J 31D	Do. without Warrants	88	5.11	10.66	17.10
0Ja 30J	FFI 13pc 1981	97¼	31.1	13.37	16.64
0J 20D	Do. 14pc '83	95½	[illegible]	14.66	15.60
1M 30S	ICFC 5½pc Deb. '80-82	82xd	[illegible]	6.68	14.69
1M 30N	Do. 6¼pc Db. '81-84	74½	[illegible]	8.71	15.00
1Ja 11J	Do. 10½pc Uns.Ln. '86	86	[illegible]	12.62	14.95
1Ja 11J	Do. 11pc Uns.Ln. '88	85½	[illegible]	13.35	14.40
1Ja 11J	Do. 11¾pc Uns.Ln. '90	88	[illegible]	13.89	14.80
0J 31D	Do. 7¼pcADeb. '89-92	59	[illegible]	12.93	15.05
1M 30S	Do. 7¼pcA Db. '91-94	55½xd	[illegible]	13.22	14.95
1M 30S	Do. 9pc'A' '91-94	65xd	[illegible]	13.84	15.00
8F 31A	Do. 8¾pcLn. '92-97	63½xd	[illegible]	13.97	14.60
4S 14 Mar	Do. 12½pc. Uns. Ln 1992	87xd	[illegible]	14.52	15.05

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

Dividends Paid		Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's	P/E
[illegible]								
Jan.	July	Cater Ryder £1	264	19.11	18.88	—	10.2	—
May	Nov.	Clive Dis'nt 20p	45	22.10	5.33	—	16.9	—
Feb.	Sept.	Com'l Aus. ($A1)	137xd	24.3	†Q18c	3.0	6.7	4.9
	May	Com'zbk DM 10	770	5.77	Q26.56%	—	9.6	—
	March	C'hgn. Hbk. Kr100	812	3.79	Q13%	—	16.6	—
July	Oct.	Corinthian 10p	27	24.9	†1.05	5.9	5.6	3.1
	May	Cred. France F75	£17⅛	17.8	Q12.5%	—	6.0	—
Jan.	Apr.	Dawes (G. R.)	12	18.10	—	—	—	—
May	Nov.	Deutsche Bank DM50	£57	17.5	Q28.12%	—	6.6	—
—		F. C. Finance	63	8.10	2.2	♦	5.1	♦
—		First Nat. 10p	16½	9.74	—	—	—	1.0
—		Do. Wrts. 75-83	2	—	—	—	—	—
June	Dec.	Gerrard Natnl.	204	22.10	†9.12	—	6.4	—
May	Nov.	Gibbs (A.)	80	24.9	†2.2	—	3.9	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

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[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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INSURANCE—Continued

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TOBACCOS

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Finance, Land, etc.

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RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Yld Gr's
May	Nov.	Coronation	315xd	24.3	†054c	2.2	9.8
Nov.	May	Falcon Rh.50c	610xd	24.3	†0100c	1.7	11.3
	May	Rhod'n Corp. 16½p.	38	10.3	0.56	8.5	2.1
[illegible]							

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

January	Messina R0.50	190	28.12	010c	♦	3.0

MISCELLANEOUS

—		Anglo-Dominion	145	—	—	—	—
—		Barymin	72	—	—	—	—
—		Burma Mines 17½p	15	5.75	0.62	♦	6.2
Aug.	Feb.	Cons. Murch. 10c.	380	28.12	M010c	1.8	15.1
—		Northgate C$1	390	9.77	—	—	—
Jan.	July	R.T.Z.	360	5.11	†11.5	3.4	4.6
—		Robert Mines	29	—	—	—	—
—		Sabina Inds. C$1.	35	—	—	—	—
—		Tara Expln. $1	510	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✻ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	28	—	Conv. 9% '80/82	£86	—
Bertam	17	—	Nat. 9¾% 84/89	£71⅞	—
Bdg'wtr. Est. 50p	360	—	Fin. 13% 97/02	£78½	+⅛
Clover Croft	60	—	Alliance Gas	59	—
Craig & Rose £1	£10½	—	Arnott	350	+10
Fife Forge	38xd	—	Carroll (P.J.)	58	—
Finlay Pkg. 5p	21	—	Clondalkin	105	—
Graig Ship. £1	£11½	+1½	Concrete Prods.	77½	+2½
Higsons Brew	75	—	Heiton (Hldgs.)	32	—
Holt (Jos) 25p	255	—	Ins. Corp.	250	—
I.O.M. Stm. £1	165	—	Irish Ropes	80	—
Pearce (C. H.)	385	—	Jacob	34	—
Peel Mills	39	—	T.M.G.	135	—
Sheff. Refrshmt	99	—	Unidare	102	+2
Sindall (Wm.)	165	—			

OPTIONS

3-month Call Rates

Industrials					
		I.C.I.	32	Utd. Drapery	9
A. Brew	8	"Imps"	7	Vickers	14
BOC Intl.	6	I.C.L.	45	Woolworths	6½
B.S.R.	5	Inverest	5		
Babcock	12	Ladbroke	15	**Property**	
Barclays Bank	30	Legal & Gen.	14	Brit. Land	7
Beecham	13	Lex Service	10	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	25
Boots	17	"Lofs"	3½	MEPC	17
Bowaters	16	London Brick	6	Peachey	13
B.A.T.	25	Lucas Inds.	20	Samuel Props.	12
Brown (J.)	7	"Mams"	14	Town & City	2
Burton 'A'	22	Mrks. & Spncr	9		
Cadburys	5½	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	38
Debenhams	8	Nat. West. Bank	32	Burmah Oil	20
Distillers	21	P & O Dfd.	9	Charterhall	12
Dunlop	5½	Plessey	16	KCA	11
Eagle Star	14	Racal Elect.	28	Premier	12
F.N.F.C.	2½	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	18	Tricentrol	35
Gen. Electric	30	Reed Intnl.	17	Ultramar	50
Glaxo	40	Sears	5½		
Grand Met.	12	Tesco	7	**Mines**	
G.U.S. 'A'	30	Thorn	25		
Guardian	23	Trust Houses	14	Charter Cons.	18
G.K.N.	22	Tube Invest.	27	Cons. Gold	52
Hawker Sidd	16	Unilever	40	Lonrho	12
House of Fraser	12	U.D.T.	4	Rio T. Zinc	35

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FINANCIAL TIMES

Monday April 14 1980

Carter appeals for backing of U.S. Olympic boycott vote

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE CARTER Administration has called for friendly nations to join the boycott of the summer Olympic Games in Moscow.

The appeal was launched after the national U.S. Olympic Committee, meeting in Colorado Springs, voted by two-to-one to accept President Carter's demand for a boycott to protest against the Soviet invasion of Afghanistan.

The vote represents a substantial political victory for President Carter in his hopes of a wide-ranging international refusal to participate in the Moscow Games.

It was achieved only after great pressure had been put on the committee, which, like its counterparts in other Western nations, had been inclined to resist the recommendations of its Government.

In the event, a combination of cajolery, threats and a strong speech by Vice President Walter Mondale served their purpose. Some disgruntled athletes later threatened to go to court to try and get the decision reversed, but President Carter has made it clear that be is prepared to use any means at his command (including, presumably, confiscation of passports) to prevent Americans from attending the Games.

As a sop to the athletes, Mr. Mondale pledged maximum Government assistance to make the next summer Olympics, scheduled for Los Angeles in 1984, a success. But the U.S. Government has more or less given up President Carter's idea of trying to rrange alternative games elsewhere in the world this year or next.

Technically, the Olympic Committee's vote did leave open the faint possibility of a change of mind. Its resolution stated: "We do not send a team to Moscow unless President Jimmy Carter notifies the Committee there is a change in the national security situation by May 20," four days before U.S. entries for the Olympics have to be filed.

But nobody in Washington seriously believes the Soviet Union will withdraw its forces from Afghanistan by then.

David Satter in Moscow writes: The Soviet news agency Tass yesterday denounced the U.S. Olympic Committee decision as a surrender of the interests of sportsmen in the face of "unprecedented pressure and blackmail" by the White House.

The news agency said the White Hous ehad acted in "the spirit of the worst times of McCarthyism" and that sportsmen who had wanted to participate in the Olympics were threatened with legal and financial penalties and accused of "betraying the national interest."

Tass said the "overwhelming majority of sportsmen" and "broad sections" of the U.S. public were opposed to the "use of sportsmen in President Carter's re-election campaign."

The news agency quoted a UPI report to the effect that the U.S. decision was heavily influenced by the White House promise to "allocate millions of dollars" to the Olympic Committee budget if it voted to boycott the games.

The U.S. Olympic Committee had been expected in Moscow. Western diplomats believe the future of the Games now hinges on whether West Germany decides to join the U.S.—led boycott. The Soviets may be able to turn the U.S. boycott into a propaganda triumph for the USSR if no major Western country joins the boycott or if national Olympic teams attend the Games against their governments' wishes.

If West Germany decides to boycott the Games, the Governments of France, Italy, most other West European countries and Japan are expected to follow suit, reducing the Olympics to a competition dominated by the Socialist countries and pro-Soviet regimes in the Third World.

Sir Denis Follows, chairman of the British Olympic Association, said yesterday be was disappointed but not surprised that the U.S. Olympic Committee had decided to boycott Moscow.

Sir Denis said the decision would not reflect on British athletes going to the Games. "We took our decision independently of the U.S.

It's their business that they choose not to compete."

Meanwhile, a senior Labour backbencher called on his party to speak out "Loud and clear" against the Carter-Thatcher line on the Soviet Union.

Mr. Tam Dalyell, chairman of Labour's influential Foreign Affairs Group in the Commons, told a meeting in his West Lothian constituency: "Nothing is more likely to return us to the cold war than the reckless attempts to humiliate the Soviet Government in the eyes of its own people by not going to the Olympics."

Former Prime Minister Mr. Edward Heath yesterday called for a world strategy by the West to counter Soviet expansionism.

"We in the West have nothing which can be described as a world strategy."

Ex-NEB executive receives £50,000

By Hazel Duffy, Industrial Correspondent

COMPENSATION for the two full-time members of the former Board of the National Enterprise Board, which resigned in protest at Government policy last November, has been sought and in one case has now been agreed.

Mr. Richard Morris, aged 54, formerly deputy director of the NEB, has settled for compensation of about £50,000 from Courtaulds, his former employers, but Sir Leslie Murphy, former chairman of the NEB is still seeking compensation.

Mr. Morris was on a four-year secondment from Courtaulds. After the NEB Board resignations he did not return to Courtaulds, apparently by mutual agreement between himself and his former employers. He was earning £35,000 a year at the NEB and his contract was not due to expire until April, 1982.

Although the settlement is with Courtaulds, it is expected that the company will try to get some of the money reimbursed through the NEB. The actual amount of Mr. Morris's compensation will appear in the forthcoming report and accounts of the NEB. He is a part-time director of British Nuclear Fuels but has not had a full-time job since leaving the NEB.

Sir Leslie Murphy, former chairman, is still seeking compensation but in his case it is through the Industry Department, as he was appointed by the Secretary of State for Industry. He says he is not legally entitled to compensation, since be resigned from the Board. But be was told by Industry Department officials after his resignation that the matter would be investigated.

Sir Leslie, who will be 65 this year, says be has made no personal representations to the Government about any payment. The matter is in the hands of a solicitor, but Sir Leslie denies that there is any dispute over the case. It would be "entirely at the discretion of the Department" to make a payment, says Sir Leslie, whose three-year contract was due to expire on July 31 this year.

He was earning nearly £42,000 a year when be was at the NEB, which would have been increased to £48,500 from the beginning of this month.

Sir Leslie and Mr. Morris were the only full-time members of the NEB Board. As part-time directors, the others received only token payment. The whole Board resigned over the Governments handling of the Rolls-Royce affair, which ended with Rolls-Royce being transferred back to the Industry Department.

THE LEX COLUMN

Moving back into bonds

It has been no accident that the revival of interest in the gilt-edged market over the last two days has co-incided with a flurry of buying in other international bond markets. The wavering of short-term money market rates in a number of currencies, however tentative, has persuaded some of the international funds that fled from bonds over the winter to dip rather more than a toe in the calmer waters at the long end of the bond markets.

So far the major bond markets have moved together, and have tended to ignore the turbulent conditions on the foreign exchanges, where the dollar's recovery has recently met with a setback and very substantial central bank intervention is still the order of the day. Often enough in the past speculative movements—out of dollars into marks, say—have depressed not only short money rates in Germany but also long bond yields. Last week, though, the fundamental movement was not from one currency to another but from deposits to bonds.

Although the British Government bond market, having fallen steeply in November, was able to withstand the international pressures that caused other fixed interest markets to collapse in February and March, it was quite unable to make any headway. British Institutions were naturally timid about committing funds to bonds when international rates were still rising, and—just as importantly—interantional buying interest in gilts, which has become a more or less essential ingredient of a strong market, was entirely lackong.

Now that OPEC money is being mobilised again, rather than simply being left to accumulate in bank deposits, the British fund manager will become frightened of being under-invested. There are also problems for the authorities, who are used to seeing the pattern of funding disrupted by a sudden influx of overseas funds.

Large overseas participation in gilt-edged will depend on whether sterling is still seen to be attractive—the point of the game, after all, is to take a currency profit as well as a capital gain on the stock. But overseas sterling deposits are substantial enough on a semi-permanent basis, and it is not necessary for all foreign buyers to bring in new funds across the exchanges.

In the March banking month, overseas sterling deposits with the clearing banks alone rose £131m, partly as a result of the maturity of Treasury 9 per cent 1980, which seems to have been widely held by the overseas sector. The new long tap, which is up for tender on Thursday, partly-paid, is very much the sort of instrument that might appeal to speculative overseas buyers, provided the return of bonds to international favour does not lose momentum.

Guthrie

Guthrie Corporation's share price has been wobbling violently ahead of next Thursday's extraordinary meeting to consider the proposal to take over City and International Trust. Last Thursday the shares dropped 25p but on Friday they soared by 62p back to the peak level of 912p. At 120p, the City and International share price would appear to indicate a strong chance that the offer will not be approved, for the cash terms are worth 135p and the share alternative is worth, on the face of it, no less than 173p.

This latter figure is, however, highly deceptive for the Guthrie price will fall—perhaps sharply—if the deal goes through. The takeover was designed in the first place partly to exploit Guthrie's excessively high price, inflated as it is by hopes that Sime Darby will launch another bid. It was also designed to make Guthrie a bigger (by some £20m) mouthful for Sime to swallow, bearing in mind that even in uninflated form it has looked to test Sime's capacity almost beyond the limit.

Since the beginning of the month Sime Darby has been free under the Takeover Code to launch another offer for Guthrie, in which it already has just under 30 per cent. Its new advisers Rothschild, replacing Kleinwort Benson who just failed to push through the first bid early in 1979, have no doubt been looking at the various options which are open to Sime, amid rumours that the Sime board is divided on what to do next. Any hopes that the bidder could straightforwardly return a year later have been destroyed by the strength of the Guthrie shares. When the oil price goes up so does that of rubber, and the current share price compares with 325p before Sime's January 1979 offer and its 535p final terms.

Rothschild has sounded out the M and G unit trust group, holders of a 13½ per cent stake in Guthrie, on whether it would be prepared to do a deal at around £9 a share. The answer was no and it is hard to see how Sime could scrape together a bid of, say, £11 without including so much equity that control of Sime itself would shift inconveniently back towards the UK.

It remains possible, of course, that the Malaysian Government will provide the required backing, or that Sime will sell out (its average cost price is only 440p) to Malaysian institutions which could take over the struggle to get control of Guthrie. The message for shareholders of Guthrie at Thursday's meeting is that they should be aware that if the trust takeover goes through it will significantly reduce the chance of an early bid for Guthrie itself. But long-term holders like M and G will not worry about that.

Howe faces tough questions on strategy

By Peter Riddell, Economics Correspondent

SIR GEOFFREY HOWE, the Chancellor, faces tought questioning today from an all-party committee of MPs about the new medium-term financial strategy and the Government's public spending plans.

The Treasury and Civil Service Select Committee, chaired by Mr. Edward du Cann, Conservative MP for Taunton, is also due to question senior Treasury officials.

At a preliminary hearing before the Easter recess, Mr. du Cann said the committee would want to take up with the Chancellor the question of which — previously private — economic figures and projections would be made publicly available and which would not.

In particular, it is likely the committee will want to press for more information about the Treasury's unemployment and inflation forecasts, the detailed breakdown of public spending by economic categories over the next few years, and the prospects for nationalised industries.

At the pre-Easter hearing, Treasury officials disclosed a considerable amount about the economic assumptions underlying the strategy.

But they said they could not go further on these points, in view of prior discussions with the Chancellor.

Before seeing Sir Geoffrey, the committee is likely to question the officials about cash limits on public spending and about monetary policy.

MPs take on Sir Geoffrey
Page 16

Year of decline forecast in engineering industry

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

MERGERS, plant closures and a steady decline in employment can be expected this year in the hard-pressed mechanical engineering industry, says a forecast in the Engineering Directory.

The forecast, by stockbrokers Savory Milln, joins a growing batch of gloomy predictions for engineering.

In a few weeks' time the short-term trends forecast from the tripartite working party, published three times a year by the Engineering Employers' Federation, will paint an even gloomier picture than that in the January forecast of a 10 per cent decline in net new orders this year.

Though the recent steel strike made life that hit more difficult for engineering companies, it was only a minor irritation compared with problems brought about by the high rate of inflation, the strength of sterling, high interest rates, and the onset of recession in both the home and export markets.

The working party was sufficiently concerned to send letters to senior Government officials, the TUC, CBI and NEDO after its last report, but it is not expected that this course will bring any change in policy by the Government.

The employers' federation admits that it is "very concerned" about prospects for the industry. It is particularly worried that the main burden of Government spending cuts will continue to fall on capital projects, hurting manufacturers of engineering products as well as civil engineering contractors.

So far, like the CBI, it has refrained from protesting to the Government about the exchange rate in fear that any move might prejudice the main battle against inflation.

Many individual members of the federation, however, have made it clear that they would like to see it emphasise more their problems from the exchange rate.

In spite of the gloom Savory Milln says it has found some parts of the industry and some companies which have a promising future in the medium-term.

In particular it selects aerospace equipment, mining machinery and nuclear power equipment as sectors which will perform well, while the better-managed companies working at well below capacity will do exceptionally well when demand picks up, it says.

Engineering Directory. Volume I Mechanical Engineering Volume II. Metals, Motors and Miscellaneous, will be published next year, by Savory Milln.

Central bankers to consider statement on Euromarkets

BY PETER MONTAGNON

CENTRAL BANKERS meeting at the Bank for International Settlement will consider today whether to publish a communique outlining the conclusions of their long-standing deliberations on the need for better control of the Euromarkets.

The communique would be a rare public statement by the bank, whose governors meet behind closed doors each month to discuss the international monetary scene.

It will be closely scrutinised by international bankers, fearful that new controls are in the offing to make all the more difficult their job of recycling surplus oil funds to countries with balance of payments deficits.

However, given the enormity of this task—the OPEC countries are expected to record a balance of payments surplus of between $100bn and $120bn this year—the bank is unlikely to launch proposals that would hamper the recycling process.

In particular, suggestions by former Federal Reserve Board chairman G. William Miller, now U.S. Treasury Secretary, that reserve requirements should be imposed on Euromarket business have met a distinctly cool response from other industrial countries.

Although the Fed still basically supports the idea, which some believe could be sweetened if central banks decide to pay interest on the funds frozen in reserves, it is likely to be downplayed in any public statement by the bank.

Instead, the communique which may still be shelved as it was last month, is more likely to stress the need for international banks to publish consolidated balance sheets which would give a better overview of their exposure and the adequacy of their capital.

This would require new legislation in some countries, while another point it raises is whether banks should be required to increase their capital backing to support large international lending operations and, if so, how this could be harmonised in order to prevent banks in any one country gaining undue competitive advantage.

Meanwhile, another topic likely to be discussed in private is the likely trend of world interest rates now that signs have emerged that the peak for U.S. rates may at least be close.

Six month Eurodollar rates dropped 1½ points to 18⅞ last week, bringing in their wake a sharp fall of the dollar against the Deutschemark and Swiss franc on foreign exchange markets.

This is a particular headache for central bankers, who like their commercial banking counterparts seem to be more than usually uncertain about the future.

While a fall in U.S. rates would be welcomed in several countries, as it would reduce upward pressure on their own interest rate structure, it would be viewed with some dismay if it brought renewed turbulence to exchange markets whose volatility has been such anathema to central bankers in the past.

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Nuclear

increased the site work required for the new AGR. But no comparison is available yet with a "British PWR" design.

One safety requirement for a British PWR is likely to be a spherical concrete containment for the reactor instead of the customary cylindrical containment.

This will increase the amount of work on site. The best current estimate is that the British PWR will require 10 to 15 per cent fewer man-hours of work than the latest AGR design.

Evidence from the Nuclear Installations Inspectorate to a Parliamentary select committee recently indicated that construction of a British PWR could not begin before 1982 and possibly not before 1984. It would require two years for its own studies, the Chief Nuclear Inspector said, from the date when it received a complete design from the electricity supply industry. The Government would probably need another year to mount the promised inquiry and assess its results, before the electricity industry could start construction.

The inspectorate has indicated that if the industry decided to build more than a small number of additional AGRs, it would require more extensive design changes.

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Carter's deadline

sanctions under existing legislation.

Ambassadors from the EEC countries and Japan will return home for consultations in the next few days, after meeting Mr. Abolhassan Bani Sadr, the Iranian President, to demand that a date be set for the release of the hostages.

British Ministers fully accept President Carter's right to call for backing from his allies and the strain the issue of the hostages is placing on the whole Western alliance. But they believe any action should be fully and carefully co-ordinated to ensure success and should be diplomatic rather than economic initially.

The British Government argues that it has always given maximum support to President Carter over both Afghanistan and Iran, but Ministers believe that over-hasty or ill-prepared action could be counter-production and lead to the deaths of the hostages. There is total opposition in the Cabinet to the idea of military action.

Following the Russian veto of trade sanctions at the UN earlier this year, Ministers claim they have not the powers to institute a trade embargo on political grounds. It is also not possible to freeze Iranian assets in the UK without the backing of a UN resolution.

There is also likely to be increased activity from MPs when Parliament resumes today. Many Conservative MPs believe that not enough is being done by EEC and Nato countries to back President Carter.

Mr. Geoffrey Rippon, chairman of the Tory back-bench foreign affairs committee, said on BBC radio yesterday that there should be a positive and swift response from the Common Market.

Mr. Peter Shore, shadow Foreign Secretary, agreed that the President was entitled to the full backing of the international community. He, like the Government, did not interpret President Carter's words as an ultimatum.

Weather

SOME RAIN in Scotland and west, elsewhere dry and hazy.

London, England except S.W. and N.W., Argyll, N.W. Scotland, N. Ireland

Dry, with sunny intervals. Max. 17C (63F).

Elsewhere

Cloudy. Rain at times. Max 14C (57F).

Outlook: Occasional thundery showers, then dry.

WORLDWIDE

	Y'day midday	°C	°F			Y'day midday	°C	°F
Ajaccio	S	16	61		Locarno	C	13	55
Algiers	C	19	66		London	S	18	64
Amsdm.	S	18	64		Los Ang.	S	28	82
Athens	C	14	57		Luxmbg.	S	16	61
Bahrain	S	34	93		Luxor	S	27	81
Barclna.	C	16	61		Madrid	C	11	52
Beirut	F	18	64		Majorca	C	17	63
Belfast	C	12	54		Malaga	F	17	63
Belgrd	S	18	64		Malta	F	16	61
Berlin	S	14	57		Mchstr.	F	18	64
Biarritz	S	18	64		Melbne.	S	25	77
Brmghm.	F	17	63		Milan	S	16	61
Blackpl.	F	17	63		Montreal	C	5	41
Bordx.	S	19	66		Moscow	C	4	39
Boulgn	F	18	64		Munich	S	13	55
Bristol	F	17	63		Nairobi	C	22	72
Brussels	S	19	66		Naples	F	15	59
Budpst	F	14	57		Nwcstl	F	17	63
B. Aires	S	15	59		N. York	C	16	61
Cairo	C	23	73		Nice	F	16	61
Cardiff	C	12	54		Nicosia	S	18	64
Cas'b'ca	C	18	64		Oporto	C	17	63
Cape T	C	19	66		Oslo	S	5	41
Chicago	C	6	43		Paris	F	17	63
Cologne	S	17	63		Perth	C	21	70
Copngn.	S	12	54		Prague	S	13	55
Corfu	S	17	63		Reykjvk	F	2	36
Dublin	C	13	55		Rhodes	S	17	63
Dbrvnk.	S	15	59		Rio J'o	R	27	81
Edinbgh.	C	13	55		Rome	S	17	63
Faro	C	17	63		Salzbrg.	S	15	59
Florence	S	17	63		S'Frisco	S	27	80
Frankfrt	S	19	66		Singapr	R	29	84
Funchal	R	16	61		Stckhm.	S	14	57
Geneva	S	14	57		Strasbg.	S	16	61
Gibrltr.	C	16	61		Sydney	S	24	75
Glasgow	F	16	61		Tangier	C	17	63
G'nsey	F	12	54		Tehran	C	20	68
Helsinki	C	10	50		Tel Aviv	S	18	64
H. Kong	R	26	77		Tenerife	S	15	59
Innsbrk.	S	16	61		Tokyo	S	17	63
Invrnss.	F	16	61		Toronto	C	4	39
I.o Man	C	12	54		Tunis	F	18	64
Istanbul	C	8	46		Valencia	C	16	61
Jersey	F	15	59		Venice	S	15	59
Jo'burg	S	20	68		Vienna	S	14	57
L. Plms	F	23	73		Warsaw	S	13	55
Lisbon	R	14	57		Zurich	S	14	57

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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